

COMMUNICATION AS A MANAGEMENT TOOL
FOR
CORPORATE SOCIAL INVESTMENT PROGRAMMES

by

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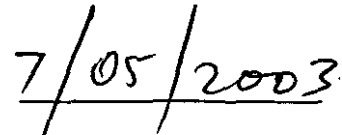
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January 2003

Declaration

I declare that "Communication As A Management Tool For Corporate Social Investment Programmes" is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.


Signature

(Mr NJ Sibeko)


Date

Dedication

This piece of work is dedicated to my son, Nsizw'ezilishumi, who never lived long enough to witness this accomplishment

Acknowledgements

I would like to express my sincerest word of gratitude to the following people who made an important contribution in making this study a success that it is

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Summary

The study investigates the extent to which communication is used as a management tool for Corporate Social Investment (CSI) programmes. To this end, the following objectives were formulated: To (a) determine if communication between funding business organisations and communities facilitate the realisation of mutually beneficial goals. (b) determine if communication between funding business organisations and communities is regular. (c) determine if communication between funding business organisations and communities is empowering to communities. (d) determine if corporate social investment managers find a difference in communication efficiency between corporate social investment programmes in education and training on the one hand and other forms of CSI programmes on the other hand. In order to investigate the aims of the study two instruments were used viz, a closed-ended questionnaire and an interview schedule. There were two samples for the study which were corporate social investment practitioners (Public Relations Managers, Community Affairs Managers, Corporate Communications Managers or any other person designated to perform such a role) and the community members who are recipients of CSI funding.

The close-ended questionnaire was administered to corporate social investment practitioners and the interview schedule was used to solicit data from recipients of funding. For the analysis of data a chi-square one

sample test was used for the first four research objectives. After the analysis and interpretation of data was done, the study came to the following conclusions (a) Communication within CSI programmes facilitates the realisation of mutually beneficial goals between funding business organisations and the community (b) Communication between funding business organisations and communities is regular because there are scheduled dates for meetings and both parties observe these scheduled meetings (c) Communication between funding business organisations and communities is empowering to communities, and (d) There was a difference in communication efficiency between education and training programmes on the one hand and other sectors on the other hand.

TABLE OF CONTENTS

Title page	I
Declaration	II
Dedication	III
Acknowledgements	IV
Summary	V

CHAPTER ONE ORIENTATION TO THE STUDY

1.1	Introduction	1
1.2	Statement of the problem	2
1.3	Research questions	4
1.4	Objectives of the study	5
1.5	Hypotheses	5
1.6	Significance of the study	6
1.7	Definition of terms	7
1.8	Research Methodology	9
1.8.1	Sampling	9
1.8.2	Data collection procedure	10
1.8.3	Data analysis	11
1.9	Plan of study	12
1.9.1	Chapter One: Orientation to the study	12
1.9.2	Chapter Two: Background to Social Investment Programmes	13
1.9.3	Chapter Three: Communication as a management tool within the corporate social investment context	13
1.9.4	Chapter Four: Methodology	13
1.9.5	Chapter Five: Presentation and analysis of data	13
1.9.6	Chapter Six: Summary, Limitations of Study, Recommendations and Avenues for Future Research	13

CHAPTER TWO

BACKGROUND TO CORPORATE SOCIAL INVESTMENT (CSI) PROGRAMMES

2.1	Introduction	14
2.2	Corporate governance and corporate social investment.	15
2.3	The scope, aim and importance of corporate social investment	18
	2.3.1 Scope of corporate social investment	18
	2.3.2 Aim and importance of corporate social investment to community life	21
2.4	Evolution of the concept corporate social investment	22
2.5	Corporate Social Investment within the South African Context	
	Currently	27
	2.5.1 Education and skills development	30
	2.5.2 Investment in sports	31
	2.5.3 Health and Safety	32
	2.5.4 Reconstruction and Development Programme (RDP)	33
	2.5.5 Other programmes	35
2.6	Corporate Social Investment and Corporate Profile	35
2.7	Conclusion	38

CHAPTER THREE

COMMUNICATION AS A MANAGEMENT TOOL WITHIN CORPORATE SOCIAL INVESTMENT

3.1	Introduction	40
3.2	Shared vision and communication	41
3.3	Types of communication and implications for corporate social Investment	42
	3.3.1 Intrapersonal communication	43
	3.3.2 Interpersonal communication	44

3.3.3	Organisational communication	45
3.3.4	Mass communication	46
3.3.5	Group communication	47
3.3.6	Public communication	47
3.4	Models of communication	48
3.5	Communication within the management context	51
3.6	Functions of communication within an organisation	52
3.6.1	Communication, organisational effectiveness efficiency	53
3.6.2	The social role of corporate communication	57
3.7	Corporate social investment, communication and social engineering	59
3.8	Managing communication in corporate social investment	61
3.8.1	Image and identity	61
3.8.2	Corporate advertising and advocacy	62
3.8.3	Media relations	62
3.8.4	Employee relations	63
3.8.5	Community relations and corporate philanthropy	63
3.8.6	Government-corporate relations	64
3.9	Empowerment through communication	65
3.10	Conclusion	66

CHAPTER FOUR

RESEARCH METHODOLOGY

4.1	Introduction	68
4.2	Formulation of Hypothesis	69
4.3	Qualitative and Quantitative Approaches	70
4.3.1	Qualitative Methodology	71
4.3.2	Quantitative Methodology	72
4.4	Sampling Design	73
4.4.1	Sample, population and subjects	74
4.5	Instrumentation and Materials	76

4.5.1	The structure of the instrument	77
4.5.2	Validity and reliability	79
4.6	Data Collection Procedure	80
4.6.1	Permission to conduct the study	80
4.6.2	Data collection	81
4.7	Data Analysis Procedure	82
4.7.1	Descriptive statistics	82
4.7.2	Inferential statistics	83
4.8	Ethical considerations	87
4.9	Conclusion	88

CHAPTER 5

PRESENTATION AND ANALYSIS OF DATA

5.1	Introduction	89
5.2	Presentation and Analysis of Data: Part I	90
5.2.1	Which programmes do you fund?	90
5.2.2	In which programme do you spend most money?	92
5.2.3	Communities mainly assisted	94
5.3	Presentation and Analysis of Data: Part II	95
5.3.1	Testing of hypothesis number one	96
5.3.2	Testing of hypothesis number two	97
5.3.3	Testing of hypothesis number three	98
5.3.4	Testing of hypothesis number four	100
5.4	Comparison of sectors' views on communication	104
5.5	Discussion of findings	106
5.5.1	Findings with regard to biographical data	106
5.5.2	Findings with regard to aim number one	111
5.5.3	Findings with regard to aim number two	113
5.5.4	Findings with regard to aim number three	114
5.5.5	Findings with regard to aim number four	115
5.6	Conclusion	116

CHAPTER 6
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6.1	Summary	118
6.1.1	The problem	118
6.1.2	Hypotheses	119
6.2	Methodology	119
6.3	Conclusions	120
6.4	Limitations of the study	123
6.5	Recommendations	123
6.5.1	Recommendation one	123
6.5.2	Recommendation two	125
6.5.3	Recommendation three	126
6.6	Opportunities for future research	127
6.7	Conclusion	128
REFERENCES		129

TABLES

TABLE 2.1	The Nature and Level of Company Involvement	20
TABLE 2.2	CSI Trends in South Africa	27
TABLE 2.3	Summary of Assistance	29
TABLE 5.1	Rank Order and Percentages of programmes funded	91
TABLE 5.2	Rank Order and Percentages of programmes where more expenditure is made	92
TABLE 5.3	Rank Order of communities funded	95
TABLE 5.4	Frequency of Endorsement of Communication as Facilitating of Mutually Beneficial Goals	96
TABLE 5.5	Regular communication	98
TABLE 5.6	Empowerment through communication	99
TABLE 5.7	Efficiency of Communication	101
TABLE 5.8	Oneway ANOVA for sectors and communication	104
TABLE 5.9	Multiple comparisons between sectors	105

FIGURES

FIGURE 3.1	Shanon and Weaver Model of Communication	49
FIGURE 3.2	Newcomb's ABX model	50
FIGURE 5.1	Programmes funded	92
FIGURE 5.2	Programme where more expenditure is made	94
FIGURE 5.3	Feedback from sectors	102
FIGURE 5.4	Feedback from Education and training	103

ANNEXURES

ANNEXURE A	Questionnaire	136
ANNEXURE B	Interview questions	141
ANNEXURE C	Covering letter	143

LIST OF ABBREVIATIONS

BEE	Black Economic Empowerment
CSI	Corporate Social Investment
CSR	Corporate Social Responsibility
PR	Public Relation
PRISA	<i>Public Relation Institute of South Africa</i>
RDP	Reconstruction and Development Programme
SME's	Small and Medium Enterprises

CHAPTER ONE

ORIENTATION TO THE STUDY

1.1 INTRODUCTION

Corporate Social Investment (CSI) programmes in South Africa and elsewhere have received increasing prominence in the past few years. CSI can take many forms such as provision of infrastructure, support of socio-cultural events, policies towards social issues such as fight against HIV/AIDS and skills development. In all CSI programmes, capacity building remains the most important goal because it empowers people to be independent. This view is supported by Rensburg, Mersham and Skinner (1995:77) who argue that "The principle of capacity building underpins and defines the planning and evaluation of community initiatives". In addition to capacity building Rensburg et al argue that "Community mobilisation, organisation and training in relation to administrative, management and communication skills form the core of social aspects of development". Implicit in this argument is the fact that communication is essential in CSI. Communication is not only important as a vehicle of contact between companies and projects, but also forms part of the leadership of organisations. This point is well articulated in Lipham (1964:122) who defines leadership as "The initiation of a new structure or procedure for accomplishing an organisation's goal and

objectives or for changing an organisation's goals and objectives". From the definition above it can be inferred that parties responsible for setting up CSI programmes from both the company and the community side, exercise leadership roles. To do so, they need to communicate, each within itself first. Thereafter interparty communication needs to take place. Once projects are agreed upon they need to be managed. Planning, organising, control and evaluation, are elements of the management process. The assertion that communication is part of leading and managing suggests that it is a vehicle for achieving the vision and mission of an organisation. This discussion is taken further in chapter 3, section 3.2. Whilst the discussion above portrays the role of communication in planning, organising, evaluating and monitoring, a number of CSI programmes face communication problems.

1.2 STATEMENT OF THE PROBLEM

Communication is a tool that seems to be underutilised in the implementation of corporate social investment programmes, more especially education and training programmes. When communication is not efficient, goals may not be readily achieved. Opportunities of mutual empowerment are minimised because the partnership is not informed by mutual discussion. This leads to lack of accountability from both parties. When there is lack of communication between the funding business

organisations and communities, companies tend to decide on what should be done when it comes to funding, irrespective of whether that will benefit the community or not. Communities that need to improve on project management are not guided sufficiently or are not able to use the relevant expertise and resources from companies. They are deprived of the opportunity of being accountable for the funds they receive.

While it is acknowledged that communication has such an important role to play in managing organisations and their programmes, there is a lack of literature on how communication is managed between communities and companies concerning corporate social investment programmes. This has serious implications in establishing common understanding with regard to the purpose of such programmes. This study is an attempt to address this problem. Furthermore, there is no clarity on the seriousness with which corporations take the value of social investment or social responsibility. Frankental (2001:22) argues that "An indicator of the real value that companies attach to CSI is where they locate this function within the organisational structure. It is usually located within external affairs, corporate affairs or community affairs. In other words, it is seen as an adjunct of Public Relations (PR), a function of a company's external relationships, a peripheral activity, not something that needs to be embedded across the organisation horizontally and vertically". Unless there is adequate communication regarding the aims of CSI, both the

company and the community may engage in a fruitless exercise. On the basis of the problems that have been discussed, the research questions were formulated as tabulated below.

1.3 RESEARCH QUESTIONS

This study seeks to answer the question, "To what extent is communication used as a management tool to facilitate proper implementation of corporate social investment?" To address the problem, the study will focus on the following research questions:

- (a) Does communication between funding business organisations and the communities facilitate the realisation of mutually beneficial goals?
- (b) Is communication between funding business organisations and communities regular?
- (c) Is communication between funding business organisations and communities empowering to communities?
- (d) Is there a difference in communication efficiency and effectiveness between Corporate Social Investment programmes in education and training on the one hand and other forms of CSI programmes on the other hand?

1.4 OBJECTIVES OF THE STUDY

The objectives of this study are as follows:

- (a) To determine whether communication between funding business organisations and communities facilitates the realisation of mutually beneficial goals.
- (b) To determine whether communication between funding business organisations and communities is regular.
- (c) To determine whether communication between funding business organisations and communities is empowering to communities.
- (d) To determine whether corporate social investment managers find a difference in communication efficiency between corporate social investment programmes in education and training on the one hand and other forms of CSI programmes on the other hand.

1.5 THE HYPOTHESES

- (a) Communication between business organisations and communities does not facilitate the realisation of mutually beneficial goals
- (b) Communication between funding business organisations and communities is not regular.
- (c) Communication between funding business organisations and communities does not empower these communities.

(d) Corporate social Investment (SCI) managers find no difference in communication efficiency between CSI programmes in education and training on the one hand and other forms of CSI programmes on the other hand.

1.6 SIGNIFICANCE OF THE STUDY

In the past few years South Africa and the world generally has seen a marked increase in investment by companies in community projects. What remains unclear is the impact such social investment programmes have had in the communities in which they occur. It is common knowledge that communication is an important part of implementation of any programme including social investment programmes. Communication is an important management tool to ascertain that parties involved have common understanding of the aims and expected outcomes of the programme. Ideally there should be a high level of communication between the funders, recipient organisations and in some cases, implementing agents, during the planning and implementation of the programme. This should be seen as an important strategy to monitor and evaluate whether the project is going according to plan. What remains unclear is the extent to which such fundamental practices are applied within the South African context. This study is conducted against the background of high investment without satisfactory outcomes in social projects. This study intends to contribute

towards policy formulation and management of such programmes. It seeks to formulate possible guidelines for the best possible ways of contributing towards management of CSI initiatives.

1.7 DEFINITION OF TERMS

Corporate Social Investment (CSI). In this study corporate social investment is used to refer to an activity where an organisation through its public relations officer, its communications manager or any designated person, uses its financial resources to fund programmes that are run by the community for its own development. Corporate social investment falls within the broad frame of marketing and public relations. Skinner and Mersham in De Beer (1997:297) define public relations as "The art and the science of analyzing trends, predicting their consequences, counseling organization leaders and implementing planned programmes of action which serve both the organization's and the public's interest"

What is clearly highlighted in this definition is that any public relations exercise, including social responsibility programmes, is meant to benefit both the company and the community it serves. One can argue that for this partnership to succeed, it should be based on sound principles of communication between the parties involved. The community should clearly communicate their needs to the sponsor and the sponsor should in

return also clearly communicate its aims. Explicit terms of reference should be put in place on how the project will be implemented and how it will be monitored.

Gillis and Spring (2001:24) add another dimension for understanding of CSI given above. They say, "Corporate Social Responsibility refers to business decision making based on ethical values, compliance with legal standards, and respect for communities, their citizens and environment". This definition raises important issues of compliance which in turn raise the question of whether companies' participation in CSI programmes is what they are really committed to or is it because the law requires that they make such a contribution.

Communication. To clarify the meaning of communication, one can refer to the definition given by Belch and Belch (1995:154) who argue that, communication has been variously defined as "The passing of information, the exchange of ideas or the process of establishing a commonness or oneness of thought between a sender and a receiver". What is clearly indicated by this definition is that this is a two-way process and there must be clear understanding between parties involved on the purpose of the exercise. Within the corporate social investment context, communication is important because it keeps all involved parties informed on the progress that has been made in that particular programme. In this study

communication refers to the nature and frequency of interaction that takes place between funding business organisations and those who receive funds from such organisations.

Management Tool. In this context management tool is used to refer to the role played by communication in fulfilling important management functions such as planning, controlling and directing activities of the organisation by keeping interested parties informed of the developments and progress of the programme.

1.8 RESEARCH METHODOLOGY

1.8.1 Sampling

Population. This study comprises two samples. The first sample was drawn from the population of companies which have programmes that they fund and which fall under a broad definition of corporate social investment programmes. The second sample comprised of community members who received funding from participating companies. The population was largely limited to companies and communities in KwaZulu-Natal. The choice of the two samples is based on the understanding that they can provide the necessary information for the study.

Sampling frame and sampling procedure. This study followed non-probability sampling, specifically, purposive sampling. Babie (1992:230) says "There are situations in which it would either be impossible or unfeasible to select the kinds of probability samples". Probability samples may be impossible or unfeasible because of the unavailability of respondents or limited number of respondents who may supply the required information. The nature of this study is such that not all corporates could be included in the sample. In this study purposive sampling was used because only companies with social investment programmes and organisations which have benefited from such programmes could supply the required information. In the light of the above only companies which have social investment programmes and recipient communities participated in the study because they are the only ones who can provide desired information.

1.8.2 Data Collection Procedure

Data from corporate social investment practitioners was collected by means of a closed-ended questionnaire. This questionnaire was distributed to corporate communications/public relations/public affairs managers. Information collected through the questionnaire was utilized for the quantitative section of the study. The second instrument was an

interview schedule which was used to collect data from communities who receive corporate social investment funding.

1.8.3 Data Analysis

While this study falls within a quantitative research method and is both descriptive and analytical in nature, it has a small element of qualitative data. According to Brynard and Hanekom (1997:6) such a study requires statistical help to determine the meaning of data. In order to determine statistical significance of data the following statistical test were performed.

(a) Chi-square - This test applies to nominal data and is concerned with whether the differences between an observed set of frequencies and a theoretically expected set of frequencies are significant (Martins, Loubser and van Wyk:1999:342). Chi-square was used to determine statistical significance of research objectives (a); (b); (c) and (d). This test was used to determine the difference in expectations on how communication should be managed and how it is managed in social investment programmes.

(b) ANOVA – It is to compare two or more sample means (Martins, Loubser and van Wyk:1999:313). In this study this statistical test was used to determine if any difference exists between sectors with regard to communication.

- (c) **Multiple Range Test** - The range measures the difference between the highest and the lowest score in the distribution. (Bless and Kathuria 1993:59) This test was used to compare statistical significance in which different sectors are compared.

1.9 PLAN OF STUDY

This study was structured as follows

1.9.1 Chapter One: Orientation to the study

This chapter covers the following areas: statement of the problem, objectives of the study, significance of the study, operational definition of terms and statement of the hypothesis.

1.9.2 Chapter Two: Background to Corporate Social Investment Programmes

Chapter two provides a theoretical background of the study and also to look at related research which has been conducted in this field of corporate social investment.

1.9.3 Chapter Three: Literature Review on Communication as a management tool within the corporate social investment context

This chapter focuses mainly on literature which discusses the link between communication and management. An attempt is made to highlight the significance of such a link within the corporate social investment context.

1.9.4 Chapter Four: Methodology

The main focus of chapter four is on the methodology of the study. This chapter discusses research design, sampling frame, sampling method and data collection procedures.

1.9.5 Chapter Five: Presentation and analysis of data

This chapter focuses on analysis and interpretation of data. In this chapter hypotheses are tested, upheld or rejected.

1.9.6 Chapter Six: Summary, Limitations of Study, Recommendations and Avenues for Future Research

This chapter deals with the summary, conclusions and recommendations. In this chapter the researcher also suggests possible solutions to problems that have been identified.

CHAPTER TWO

BACKGROUND TO CORPORATE SOCIAL INVESTMENT (CSI) PROGRAMMES

2.1 INTRODUCTION

The importance of Corporate Social Investment (CSI) Programmes in uplifting communities can never be over-emphasised. CSI is an international trend and South Africa as an important player in the global economy, had to follow on this trend. Although the government seems to support CSI, it has not passed enabling legislation to facilitate the process of implementation of such programmes. There is no legislation which determines terms of reference on how such programmes should be implemented and there is no monitoring mechanism in place to determine whether they yield desired results. This is left to companies to determine their rate of success. However, the recent King Report on Corporate Governance for South Africa 2002 seems to provide an important guide on the trend that should be followed by organisations. This chapter reviewed literature on the scope, aims and history of corporate social investment. Before this discussion can be pursued it is important to put it into perspective by looking at the issues of corporate governance and how this relates to corporate social investment.

2.2 CORPORATE GOVERNANCE AND CORPORATE SOCIAL INVESTMENT.

Debates around King Report II on Corporate Governance for South Africa 2002 have a direct bearing on corporate social investment as discussed in this study. The King Committee looked at community investment as "investment of money into community development of micro-enterprise initiatives that contribute to the growth and well-being of particular communities" (King Committee 2002:118). The committee went on to argue that the idea of community investment is to reverse the drain of capital and income that debilitates low-income communities. The concept of "corporate good citizenship" (which is what social investment aims to achieve) poses a big challenge for organisations because they still have to perform well financially while conforming to social and environmental needs. The report suggests that companies should look at organisational success not only in terms of finance but also in terms of the extent to which they have been able to assist communities around the areas where they operate. This underscores the importance of corporate social investment. The increased significance of a balanced approach to corporate social investment is well articulated in Armstrong (2002:24) where he argues that:

The growing influence of ethical pressure groups means that, in addition to purely financial issues, boards now have to consider a minefield of environmental and social matters. Corporate reputation and corporate citizenship have become just as important to the company's share price and profitability as getting the financials right.

Armstrong's argument presents a strong view that corporate social investment needs to consider environmental and social issues. It clearly indicates that corporate social investment can no longer be seen as an optional extra that companies can do as and when they feel like doing, but an important cornerstone that can position an organisation for future growth.

King Report emphasised the importance of this balance between financial, environmental and social investment audits. While striking this balance could pose a big challenge, King (2002:12) sees some useful rewards in conforming to the set standards. He argues that " A well-managed company will be aware of, and respond to, social issues, placing a high priority on ethical standards. A good corporate citizen is increasingly seen as one that is non-discriminatory, non-exploitative, and responsible with regard to environmental and human rights issues. A company is likely to experience indirect economic benefits such as improved productivity and corporate reputation by taking those factors into consideration".

Although this notion of good corporate citizenship is not new to South Africa, there are reasons to believe that it will rise into prominence in the next few years as it has been the case in other parts of the world like the USA and Great Britain. In South Africa there has been a marked increase on corporate social investment which was estimated at R5 – bn in 1998 (Sowetan 28 August 2001) and it is estimated that it has gone up by R1.84 bn in 2002 (Sunday Times 26 May 2002). Furthermore, Wagner (2001:16) argues that “Social responsibility is no longer the enemy of good business: Increasing number of mutual funds are adding “social screens” to their investment criteria, such as whether the fund invests in businesses that are committed to workforce diversity or to improving the environment”. Wagner’s argument shows that being a good company means more than just making a profit. Based on the argument above one can conclude that corporate citizenship is about progress towards better treatment of stakeholders (including communities who may not be shareholders but who supply workforce to the company).

The importance of serving business, social and environmental needs has led to the notion that for any organisation to survive in this millennium it must observe and strictly adhere to what is popularly called the “triple bottom line” namely, economic, environmental and social benefits. Panchak (2002:2) argues that “corporate sustainability management and

reporting, encompassing the triple bottom line of economic, environmental and social accountability, should move to the top of executives' agendas".

2.3 THE SCOPE, AIM AND IMPORTANCE OF CORPORATE SOCIAL INVESTMENT.

This section attempts to address two very important issues, firstly, the *scope of corporate social investment* and secondly its aim.

2.3.1 Scope of corporate social investment

Corporate social investment falls within the broad frame of marketing and *public relations*. Skinner and Mersham in De Beer (1997:297) perceive the function of Public Relations as

"Analyzing trends, predicting their consequences, counseling organization leaders and implementing planned programmes of action which serve both the organization's and the public's interest"

What is clearly highlighted in this perceived function is that any Public Relations exercise, including social responsibility programmes, is meant to benefit both the company and the community it serves. One can argue that for this partnership to succeed, it should be based on sound principles

of communication between the parties involved. The community should clearly communicate their needs to the sponsor and the sponsor should also in return communicate its aims. Well defined terms of reference should be put in place on how the project will be implemented and how it will be monitored.

Having highlighted the link between CSI and Public Relations, it is important to briefly discuss what public relations means. Probably the best exposition is given by the professional body of South Africa, the Public Relations Institute of South Africa (PRISA) in De Beer (1997:297) where public relations is described as

“The deliberate, planned and sustained effort to establish and maintain mutual understanding between the organisation and its publics”

What is notable about this description is that it highlights the link between what the corporation does as its core business and the contribution it makes as part of its strategy to be seen as a good citizen. This is a clear demonstration that CSI falls within the broad frame of Public Relations. De Beer (ibid) makes some pertinent remarks about the PRISA exposition. He argues that it emphasizes the fact that public relations is a deliberate and intentional part of an organisational policy, a conscious effort to provide information and create goodwill. He further argues that Public Relations is

designed to influence, gain understanding, propagate information and ensure feedback from those affected by the organisation's activities. This argument suggests that CSI is an important part of an organisation and not a peripheral activity as Frankental (2001) suggests. It may be added that different corporations may view CSI differently. The company's view of the role of CSI determines the degree of its involvement with the programme.. This role is well summarised in O'Brien (2001:2) in table 2.1

TABLE 2.1 THE NATURE AND LEVEL OF COMPANY INVOLVEMENT

LEVEL	TERMINOLOGY	DESCRIPTION	INTERVENTION
1.	Non-involvement	'The business of business is business'	Unionism
2.	Ad hoc involvement	Paternalistic with no set parameters	Social concern
3.	Systematic involvement	Paternalistic but clearly defined parameters	Social responsibility
4.	Pre-systemic involvement	Consultation but decisions still paternalistically made	Social investment
5.	Systematic involvement	Consultation leading to joint decision making	Community development
6.	Symbiotic involvement	Partnership leading to empowerment and self-sustainability	Leadership

What this table suggests is that different corporations view their role in the community differently. There are those which would like to keep their distance and just focus on their business, but there are also those who would like to be involved directly in community projects. The company's approach to their role will also determine the nature of communication that

will take place between it and the community it purports to serve. This is the area which is the subject of investigation in this study.

2.3.2 Aim and Importance of Corporate Social Investment to community life

One cannot conclusively come up with one aim of corporate social investment because different corporations get into CSI for different reasons as O'Brien in table 2.1 suggests. However, there have been suggestions from literature on the reasons for CSI. As was discussed in section 2.3.1, the aim of CSI depends on whether the corporation wants to realise returns on investment through improved sales or they want to give back to the community some of what they get. The former will opt for pure sponsorship programmes which will give them better exposure while the latter will engage in pure CSI programmes. The aim and importance of CSI is best articulated in Sowetan (2001:10) where it is argued that sound CSI practice

- Contributes towards the human resource development pool from where a company will source its workforce
- Contributes towards general economic growth of the country by promoting a healthy, educated, developed and empowered population

- Gives the company an economic advantage by contributing to the company's bottom line and it enhances the corporate image (brand value) of the organisation
- Assists the company to comply with socio-political demands in the environment where it operates
- Enables companies to fulfill their foreign markets demand that the company must demonstrate involvement in community upliftment.

2.4 EVOLUTION OF THE CONCEPT CORPORATE SOCIAL INVESTMENT

In chapter one corporate social investment was operationally defined as an activity where an organisation, through its public relations officer, its communications manager or any designated person, uses its financial resources to fund programmes that are run by the community for its own development. To add more clarity to this definition and to provide background to CSI, the evolution of the concept will be portrayed.

The concept of CSI can be traced back to the early fifties. Around the fifties it was generally referred to as social responsibility. Bowen (1953:6) is credited as the first person who came up with the concept. He viewed social responsibility as

“The obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of objectives and values of our society”

When one looks at the current debates around CSI one can conclude that even current thinking still draws a lot from the views by Bowen. Further clarification of the role of social responsibility is best captured in Frederick (1960:60) who argues that “Social responsibilities mean that businessmen should oversee the operation of an economic system that fulfills the expectations of the public”. He goes on to argue that “This means in turn that the economy’s means of production should be employed in such a way that production and distribution should enhance total socio-economic welfare”. An extension to Frederick’s point of view is given by McGuire (1963:144) who argues that “corporations must take an interest in politics, in the welfare of community, in education, in the ‘happiness’ of employees, and, in fact, in the whole social world around it. Therefore, business must act ‘justly’ as a proper citizen should”. The two lines of argument clearly show the importance of a close relationship or partnership between the community and the corporate world.

The seventies did not see much change in the views and understanding of corporate social investment. However, a notable contribution during this period is that corporate social responsibility, as it was called, was seen as

a strategy for profit maximization, (Johnson 1971; Steiner 1971; Manne and Wallich 1972). Manne and Wallich (1972) made an important observation that to a certain extent social objectives are imposed upon corporations by law. This raises an important question of whether corporations are engaged in social needs because they are forced by the law or because they genuinely want to make a significant contribution to social upliftment. This study is based on the assumption that the latter is true.

During the eighties not much contribution was made in terms of development of the concept. Focus on the importance of or compatibility between profitability and social responsibility was given (Drucker 1984; Wood 1991; Aupperle, Carroll and Hartfield 1986). The thinking was that the "business of business is business". This view suggests that a company should only get involved in CSI if there is some profit to be realised.

The nineties saw some very important contributions made by various authors in this field. Prominent among such contributors is Carroll (1999:284) who argues that "The CSR concept will remain as an essential part of business language and practice, because it is a vital underpinning to many of the other theories and is continually consistent with what the public expects of the business community today". The pattern, even in South Africa, suggests that corporations are beginning to take a more

active role in working with communities. There seem to be more commitment from corporations in terms of their roles to social investment projects. For instance Rensburg, Mersham and Skinner (1995:77) suggest the need for this commitment where they argue that

“The concept of social responsibility does not only include an organisation’s relationship with the society in which it operates. Social responsibility also includes the organisation’s involvement in the problems of national significance that face that society. That involvement will, nevertheless become increasingly functional at the community (or micro) level”.

This argument is subject to many interpretations. But what comes out is that corporate social investment should be seen as much more than just a company positioning itself in relation to the community which forms an important part of its client/customer base. It should be seen as a company’s form of contribution to social re-engineering. The Reconstruction and Development Programme is a case in point where corporations take an active role towards assisting the government in realising its goals of socio-economic regeneration. In this context CSI should be seen as an important relationship or partnership between the company, the government and the community. In the light of this, it can be argued that both parties should go into this partnership with clear understanding of the nature of partnership, aims of partnership, role of

each partner, and understanding of systems and controls for implementation and monitoring of corporate social investment programmes. Communication plays a significant role in establishing and sustaining this partnership.

Corporate Social Investment or Social Responsibility Programmes, as some authors call it, may be grouped under the following

- ❑ Education and skills training
- ❑ Investment in Sports
- ❑ Health and Safety
- ❑ Reconstruction and Development Programme (RDP)
- ❑ Other programmes

This list is by no means exhaustive, but it gives a comprehensive view of what is involved in CSI. As it will be demonstrated in section 2.4, each item listed above can further be unpacked and subdivided into subsections.

2.5 CORPORATE SOCIAL INVESTMENT WITHIN THE SOUTH AFRICAN CONTEXT, CURRENTLY

It is not an easy task to give a comprehensive picture of the nature of programmes in which corporations invest. However, table 2.2 gives an idea of programmes in which corporations invest.

TABLE 2.2 CSI TRENDS IN SOUTH AFRICA

	Absa	SAB	Coca-Cola	Anglo-American	Pick n Pay	Old Mutual	Eskom	Telkom	Voda com	Standard Bank
Sport	X	X	X		X	X	X	X	X	X
Education	X	X	X	X		X	X	X	X	X
Housing	X			X			X	X		X
Donation	X				X	X		X		
Skills Training	X	X	X	X			X			
Health	X	X		X		X	X		X	
Job Creation	X	X	X	X	X			X		X
Project for underprivileged	X								X	
RDP	X				X		X			
Youth Development	X	X	X							
Business plans for entrepreneurs	X	X		X		X				
Arts and Culture	X	X	X			X		X	X	X
HIV/Aids	X		X	X		X		X		
Town Cleaning	X		X							
Women Empowerment			X		X		X			
Rural Development			X			X	X	X		
Community Development			X	X		X				X
Crime Prevention				X				X	X	
Environmental Conservation					X				X	

Table 2.2 gives a summary of what corporations are doing in relation to social investments (Nel and Nel 2000; Sowetan August 2001). The choice of companies is based on corporations which were selected by respondents in (Nel and Nel 2000) Business Social Monitor survey and they were ranked as top ten performers in CSI. It is noteworthy that it is only in recent times that corporations are beginning to comply with some of the Sullivan Principles through their implementation of CSI policies. The Sullivan principles stated that "USA owned corporations in South Africa have provided substantial assistance outside work environment" (Elbinger 2001:139). For example the table above suggests that more and more corporations are beginning to comply with *Principle Six* of the Sullivan Principles which states

Improving the quality of employees' lives outside of the work environment in such areas as housing, transportation, schooling, recreation and health facilities (Ibid).

According to Elbinger, USA owned corporations in South Africa have provided substantial assistance outside the work environment. Presented below in table 2.3 is a summary which outlines this assistance.

TABLE 2.3 SUMMARY OF ASSISTANCE

<i>Type of Aid</i>	<i>Percentage of Companies</i>
Financial assistance – housing	51 %
Subsidised schooling	39%
Tuition refund	36%
Bursaries or Scholarships	19%
Free bus service	19%
Adult education	18%
Company-subsidised housing	13%
Upgrading of local schools	12%
Literacy training	10%
Automobiles for nonbusiness use	6%
Rental allowance	4%
Automobile loans	3%
No outside assistance provided	35%

It is also noteworthy that the contribution of corporations (perceived or real) to CSI suggests a great deal of overlaps. For example Coca-Cola focuses on, among other things, rural development while ABSA focuses on RDP. The reality is that RDP has, as stated in the White Paper on Reconstruction and Development Programme of 1994, a very strong rural development focus. In order to clarify this discussion it is important to look at CSI according to areas of focus as discussed below.

2.5.1 Education and Skills Development

This seems to be an area which is very popular with all the corporations which were selected from the top ten list as discussed in Nel and Nel (2001). There could be many reasons for this but it could be because education and skills development put to practice the government human development strategy. CSI in Education and skills training can be approached from different angles. It could be through youth development, entrepreneurship training or funding of school projects. In addition to the corporations that have been mentioned in the table above, many other corporations are also involved in social investment relating to education and training. For example the Land Bank "uses part of its profits to contribute towards skills transfer, training and capacity building by making available non-payable grants to the public"(Sowetan March 29, 2001). Some corporations sponsor projects which directly link with improvement of quality of education. For example:

- ❑ Spoornet - Supports programmes aimed at improving the matriculation pass rate in Mathematics, Science and Accounting.
- ❑ Murray & Roberts - Supports education in the interest of inculcating a culture of learning and promoting the development of science and technological skills in South Africa

2.5.2 Investment in sports

Sport is another area which enjoys a lot of support from all the top ten corporations discussed in Table 2.2. Investment in sports takes many forms. It ranges from pure sponsorship of sports events, like ABSA national athletic championships, to sponsorship of sports development programmes like Transnet School of Excellence which sponsors soccer development. Other examples of corporations which sponsor specific sports projects include

- ❑ **Spoornet** supports identification and development of sports talent in individuals from previously disadvantaged communities. Rugby development programme through the Border Rugby Union is a case in point.
- ❑ **Sasol** is known for sponsoring the South African under 23 National Soccer Team known as Amaglugluglu.
- ❑ **Standard Bank**, is well known for its support of South African Cricket Team, the Proteas.
- ❑ **Rama**, has made the “newcomer” in sport, dancesport very popular.

The list of examples of corporations' support of sport can never be exhausted in this study. One can safely say that very few if any teams at professional level (whether in soccer, rugby, cricket or any other sport) do not have sponsorship of some sort.

2.5.3 Health and Safety

This is a highly sponsored area by many corporations as well. Some approach it from pure sponsorship and others approach it from an education point of view.

- HIV/Aids awareness – Quite a few corporations have opted for aids education programmes. The most popular route seems to be through drama, but there are other sponsorships of HIV/Aids awareness through adverts in electronic and print media.
- Town cleaning - There seems to be a concerted effort by corporations to keep towns where they operate clean. The department of *Environmental Affairs and Tourism* seems to put a lot of pressure on corporations to comply with this requirement. Corporations like *Rand Water* and *Murray & Roberts* have made this an important part of company policy.
- Crime Prevention - This is the concern of many citizens in South Africa. Some corporations are taking an active role in fighting crime.

For example Vodacom pledged R1.4 m to Alexandra Police Station (Sowetan 29 March 2001). BMW and VW recently donated patrol cars to the SAPS.

2.5.4 Reconstruction and Development Programme (RDP)

This is the area which warrants in-depth investigation because it is a vast field which cannot be covered exhaustively in this short discussion. RDP is the concept which needs unpacking because it means many things to many people. O'Brien's (2001:2) description of CSI provides an interesting discussion point when seen against the background of RDP. He says

"Corporate Social Investment (CSI) refers to the need for corporate involvement in helping to redress the imbalances of the past and to empower disadvantaged communities"

This point of view tallies exactly with the commonly understood meaning of RDP. One can safely conclude that for some corporations, if not for many, CSI is the practical realisation of RDP goals. In this study specific examples of RDP include programmes such as

- Youth development

- Rural development
- Community development
- Women empowerment
- Housing
- Projects for underprivileged

One should also acknowledge that even the programmes enumerated above are not mutually exclusive. For example youth development can be part of rural development projects. Community development, women empowerment and housing projects for underprivileged communities can take place either in urban areas or in rural areas and that is another example of total overlap.

While most companies do not clearly spell out their involvement in RDP but it may be observed through the nature of programmes in which they are engaged. ABSA and Eskom are examples of companies which have explicitly declared their involvement in RDP. To underscore the overlaps that have been highlighted earlier, ABSA still has a youth development focus and Eskom still has women empowerment and rural development focuses. Other corporations which have RDP related focus areas include Coca-Cola, Old Mutual and Telkom which also focuses on rural development. Coca-Cola and Old Mutual also focus on community

development. Corporations such as ABSA, Anglo-American, Eskom, Telkom and Standard Bank also have a strong focus on housing.

2.5.5 Other programmes

There are other programmes which can not be classified under any of the broad categories of programmes discussed above but which enjoy a lot of support from different corporations because of their importance. Job creation is one such area which is supported virtually by all big corporations in South Africa and it has been the major concern for the government. Business for small and medium enterprises (SME's) is also enjoying support more especially with strong drive towards black economic empowerment (BEE). Support for arts and culture is also receiving a fair amount of attention from different corporations.

2.6. CORPORATE SOCIAL INVESTMENT AND CORPORATE PROFILE

Current trends in corporate social spending suggest that there is an increase in the level of expenditure. It is estimated that in 1997-1998 corporations spent between R4-bn and R5-bn. (Sowetan 28 August 2001:10). It is speculated that this figure has presently doubled. Corporate

spending raises other important questions about the difference between corporate social investment and sponsorships, and what it is that really motivates corporations to spend their money on social programmes. Would corporations spend money on projects that will not improve the company profile?

While corporate social responsibility could be seen as a company's commitment to social upliftment and betterment of the community it serves, sponsorship could also be seen purely as a marketing tool, which is meant to realise a return on investment (ROI).

One cannot conclusively say that corporations like to spend money on programmes which will have a marketing value, but based on the research conducted by Nel and Nel, (2000:39-47) one can conclude that most companies are taking the route of sponsorships probably because it can yield results which are favourable to the marketing of the company. In the Nel & Nel survey the respondents highlighted Absa, Coca-Cola, Engen, Eskom, First National Bank, M-Net, MTN, Nedbank, Shoprite Checkers, SA Breweries, Standard Bank, Telkom and Transnet as companies which are associated with sponsorship mainly in sports. These have direct results in marketing and position of the company. While that is the case, table 2.2 above indicated that virtually all major role players in corporate social responsibility invest in education in one way or another. They may

only differ on the nature of education programmes they sponsor. While it may be true that most companies invest on programmes that will have benefits (direct or indirect) to the company there is no conclusive evidence that companies have directly benefited from funding education programmes. This could only be seen as a contribution to the human capital of the country. This underscores the positive attitude with which corporations view the importance of education in this country.

There is general agreement that corporations which make a significant contribution towards community upliftment are viewed favourably by communities, hence, they reap benefits of better support from such communities. This point is well articulated in Maignan and Ferrell (2001:462) who argue that

A number of industry surveys suggest that consumers are willing to make an effort to support proactive corporate citizens. For example, a 1997 Cone/Roper study shows that 76 percent of consumers are prepared to switch to brands or stores that seem concerned about the community.

While there is general agreement that CSI has a major contribution towards corporate reputation, Lewis (2001:31) argues to the contrary. He

argues that corporate reputation is more influenced by the actions of an organisation rather than a successful PR campaign.

2.7 CONCLUSION

This chapter traced the evolution of the concept of Corporate Social Investment. It became clear that from the time this concept started, the link between business and community has been emphasised. At the early stages the relationship was more paternalistic where mostly, business funded community projects without any consultation between the community and those companies. As shown in section 2.4, in recent times this approach seems to have changed slightly where there is more involvement of the community in their projects. This relationship is now seen as a partnership. Within the South African context corporations have showed commitment to corporate social investment. In a survey that was conducted by Nel & Nel (2000) it became evident that education and skills training, investment in sports, health and safety, and Reconstruction and Development Programme (RDP) have received a great deal of funding from the corporate sector. As indicated earlier, there are other projects which can not be classified under these broad categories but which have also received a fair amount of funding from the corporate sector. One can think of projects like support of SME's and job creation projects. The next

chapter will focus on how communication is used as a tool to manage such projects.

CHAPTER 3

COMMUNICATION AS A MANAGEMENT TOOL WITHIN CORPORATE SOCIAL INVESTMENT

3.1 INTRODUCTION

Chapter two looked at the historical background to corporate social investment. This chapter reviewed literature on communication as a management tool. It also discussed why communication is important within the area of corporate social investment.

The function of communication within an organisation is to ascertain the flow of internal information and to establish a strong link with external customers, suppliers and surrounding communities. However, information sharing by companies regarding what they do for communities, neither indicates nor guarantees a two way communication between communities and them. It does not allow for feedback on corporate social investment programmes. While there may be many factors contributing to success or failure in organisations with regard to corporate social investment, one may argue that communication accounts for some of these failures. The study conducted by David (1994:28) underscores the role and importance of communication for organisational success. He concluded that

communication is a strategic component worth integrating into organisational plans and policies. He argues that to do this, top executives need to see communication as aligned with business barometers considered indispensable, like stock price and employee productivity. There is always a need to communicate the mission and vision of an organisation, not only to members of that organisation but also to the community as a whole. The shift in thinking and the way in which most organisations pay attention to social responsibility programmes (and also environmental issues) suggests that measurement of company success can no longer be seen as just how much profit they have made, but also how much they communicate with the communities and the environment within which they work. An important part of this chapter is to review types and models of communication.

3.2 SHARED VISION AND COMMUNICATION

In Chapter one, a link between organisational leadership, vision and communication was highlighted. In the field of organisational behaviour, it is generally believed that shared vision is at the centre of organisational success. The same argument can be extended to corporate social investment. One can argue that for CSI programmes to yield positive results there must be a shared vision amongst all stakeholders. For any venture to succeed there must be a buying in from all parties concerned.

Communication has a crucial role to play in promoting shared vision. Novek (1999:62) states that a "properly structured programme would teach participants to share a common vision through communication. Communication practices are central in building the social bonds that allow collective action. Habermas (1984:14) coined the term "communicative action" to describe the joint undertakings of people who share common understandings and views; when members of a group share perceptions, they no longer act exclusively out of individual self-interest, but coordinate their actions for mutual benefit".

Novek's (1999) argument raises an important point, the assumption that corporate social investment is not just a tax saving strategy or a conscience cleansing mechanism by corporations but a genuine commitment to empower communities. When a company shares its vision with the recipients of its funds, it provides room for buy-in to and support of the vision. The most important underlying factor for all buy-in into organisational vision is communication that takes place between the funders and the recipients. Below is a review of types of communication.

3.3 TYPES OF COMMUNICATION AND IMPLICATIONS FOR CORPORATE SOCIAL INVESTMENT

Communication is a generic field of study which cannot be pinned down to any particular area but which cuts across many fields. Its importance is

underscored by the fact that any organisation, irrespective of the nature of business, in one way or another, has to devise an effective communication strategy in order to survive. Fielding (1996:3) argues that for an organisation to have well coordinated activities, it has to have “upwards, downwards and lateral (also called sideways or horizontal) communication”. He goes on to assert that organisations also have to communicate with customers, suppliers and the general public. It is against this background that levels of communication, types and forms of communication will be reviewed and their implications for corporate social investment programmes, drawn.

3.3.1 Intrapersonal communication

This could be seen as the most basic level of communication. “This is communication which takes place within ourselves: our inner monologues; our reflection upon ourselves, upon our relationships with others and with our environment” (Watson & Hill 1993:97). What characterises intrapersonal communication is that one is the only active participant, message originates and also ends with oneself. The significance of this type of communication to corporate social investment is that it gives one an opportunity of doing some introspection even before one communicates with other people. The outcome of this introspection will say a lot about what one thinks of oneself and that is invariably how other

people will think of him/her. If a person is held in high regard, people are likely to be more receptive to his/her input and that would go a long way towards enhancing communication.

3.3.2 Interpersonal Communication

This is probably the most common form of communication. It involves at least two or more people. Fielding (1996:21) says "A great deal of communication in organisations is interpersonal. This type of communication calls for good control of language, listening, sensitivity to non-verbal communication, and tolerance. It involves a range of spoken and written messages". Over and above the fact that there must be two or more people involved, "there must be an exchange of message, the communicative behaviour must be directly interdependent upon that of the focused interaction" as Lowe (1995:45) puts it. This type of communication raises a lot of questions more especially in a culturally and linguistically diverse country like South Africa. How effective can communication be if the people who are trying to communicate do not understand one another's language and culture? For example if corporates implement CSI programmes in rural areas, do they establish what people want in a language which enables clear mutual understanding? The manner in which communication is handled more especially the language aspect, is one which could determine the extent of

failure or success of any CSI programme. It is therefore important to make a concerted effort to manage interpersonal communication.

3.3.3 Organisational Communication

This is the kind of communication that takes place within an organisation. It is based on the assumption that “everyone is involved in, and responsible for communication. It’s focus is on the behaviours and processes needed to create an effective “communication culture” in an organisation”, (Schonfelder 1998:1). Fielding (1995:21) argues that organisational communication “would be particularly concerned with the flow of information – upwards, downwards and sideways. It would also be concerned with effects of managerial styles, leadership and motivation on communication”. The most important characteristic feature of this type of communication is that information flow must be from all directions. In an organisation in which communication is encouraged, all stakeholders tend to be willing to contribute to the maximisation of organisational success because they own the process since they have been part of decision making. This goes for community related projects as well, given that employees come from the community. The contribution of organisational communication to organisational success is best summarised in the words of Graham & McKenna (2000:50) who argue that well-managed

organisational communication provides a unifying “vision” for its members, thus bringing efficiency to the enterprise.

3.3.4 Mass Communication

Mass communication targets the masses through the use of mass communication media like the radio, the television or print media. What is of particular interest about mass communication is that “one communicator carries responsibility for sending messages and so participation is unequally divided” (Lowe 1995:49). What characterises this method of communication is that there is no immediate feedback from the recipients of the message. Although this type of communication is commonly used in advertising, it can make an important contribution in *informing communities about a company, including available funding a company has and how it can be accessed*. The use of radio as a medium of communication for such purposes could be particularly useful when dealing with rural communities who may not readily have access to print media. An added advantage to the use of radio is that people can receive information through their language.

3.3.5 Group Communication

There is no clarity on where group communication should be placed in communication types. Some authors treat it as part of organisational communication (Lowe 1995:49). Like mass communication, what characterises this form of communication is that one speaker carries the responsibility for carrying the message. There is no opportunity for focussing on individual recipients of the message. In all probability, this may lead to the difficulty of decoding of messages. Group communication can also be applied in clarifying issues around corporate social investment if one has a plan to conduct information sessions for the community. However, one may need to find a way to ascertain that the message is received as intended.

3.3.6 Public Communication

As organisations and communities continue to grow, there is a realisation that communication has an important role to play. Public communication is one form of communication which has an important contribution to make. Public communication is seen as "Public speaking in organisations where one person gives a lecture, talk or oral report to a small or large group" (Fielding 1996:21). What is notable is that in this type of communication the audience does not participate because the speaker is

seen as a person who has all the information and the audience as people who are nothing more than just recipients of information. Public communication can be applied within an organisation or between an organisation and the community. Whichever way it is applied, it needs to be adapted in its application because feedback is very important in facilitating effective communication as shall be discussed later.

3.4 MODELS OF COMMUNICATION

Communication as a field of study is very wide. In the past fifty years over twenty models of communication have been developed but all these models seem to draw from Shanon and Weaver's model of communication which was developed in 1949 (Watson and Hill 1996:171). This model was seen as a linear, process-centered model. Shanon and Weaver's model of communication seems to have influenced subsequent models of communication. This model identified three levels of problems in the analysis of communication. Level A dealt with technical aspects of communication, level B dealt with semantic aspects and level C dealt with effectiveness of communication, that is, proper decoding of messages. Shanon and Weaver's model is best summarised in Figure 3.1.

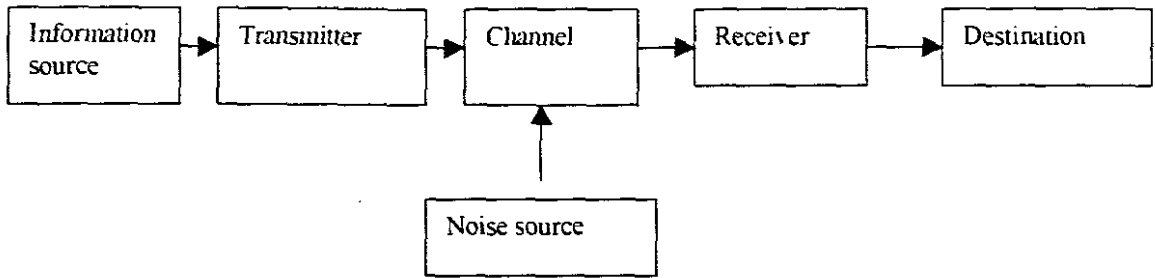


FIGURE 3.1 SHANON AND WEAVER MODEL OF COMMUNICATION
(Watson and Hill 1996:172)

Although the above mentioned model of communication can be applied to intrapersonal, public and mass communication, its flaw is that it does not provide for feedback which is an important element of successful communication. In the light of the above subsequent models of communication, such as the Andersch, Staats and Bostrom Model of Communication 1969; the Becker Mosaic Model of Communication 1968; Barnlund Transactional Model of Communication 1970 a few had to address this flaw.

There is no specific communication model which could be said to have shaped corporate communications or public relations. The closest is Newcomb's ABX model of communication which was developed in 1953. The stark contrast between Shanon and Weaver's model of communication on the one hand and Newcomb's ABX model on the other

is that the latter is not linear but triangular in shape as shown in the diagram below:

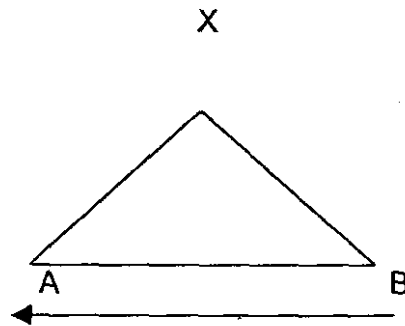


Figure 3.2 NEWCOMB'S ABX MODEL (Watson and Hill 1996:125)

The ABX model introduced, as a factor, the role of communication in a society or a social relationship (Watson and Hill 1996: 125). On commenting about this model they have this to say

A and B are communicators and X is the situation or social context in which the communication takes place. Both the individuals are orientated to each other and to X, and communication is conceived of as the process which supports the orientational structure.

What is noteworthy about this model, which has a direct bearing on communication within corporate social investment, is that it puts communication within a particular context, that is, it is meant to fulfil a particular function within a social context. In this context A could be seen as the corporation, B as the community and X as corporate social

investment programme. A common ground or common understanding needs to be established for this to function properly. This model underscores the role of communication for social activities to be successful.

3.5 COMMUNICATION WITHIN THE MANAGEMENT CONTEXT

Based on the argument that has been put forth, it can be said that communication is arguably one of the most important functions in organisational management and development. Puth (1994:3) posits that communication could be called the lifeblood of organisational management. He further asserts that it comes as no surprise that communication is regarded by many managers as one of the most important tools in their management kit. Within the context of corporate social investment, the communications manager has to have a well-designed strategy for communication with members of the community with which the organisation works.

The argument above can be taken a step further. Huesca (1995:101) says, "The dominant paradigm of communication has undergone sustained challenges since the 1970s by scholars from around the world who have called for a shift from transmission, means - focused model of communication to a more equitable, democratic and participatory

perspective on communicative practice". The view by Huesca underscores the point that the community should have a big role to play in a communication process. General principles of project management suggest that the buy in of communities to projects is very crucial for the success of that programme and communication has an important role to play in this regard. To a certain extent the level and the quality of interaction between the funding organisations and the recipient communities determine the degree of success of the programme.

3.6 FUNCTIONS OF COMMUNICATION WITHIN AN ORGANISATION

As indicated earlier there is no clarity as to where CSI falls within the company structure. With that lack of clarity it becomes confusing to determine who should manage related communication. Some organisations view it as a public relations function, others as a corporate communications function, others as a marketing function and others as business communications function. The discussion in this study and in this section in particular is not about where CSI belongs, but is about what it does and how it is managed. The function of corporate communications is well captured in Murray (2001:18) who argues that:

The object of corporate communications is to provide to all audiences the perceptions that the company is

and will continue to be a superior one to invest in,
lend to, buy from, sell to and work for.

The key word in this argument is creation of perception about the organisation. Corporate communication is meant to create positive perceptions about the company. The creation of a positive image about the organisation is not only limited to internal members of the organisation but also to the outside community. The general belief is that organisations which have a good disposition towards their communities enjoy a competitive advantage over other organisations. It is against this background that the role of organisational communication in relation to communities will be discussed. The main focus will be on communication and organisational effectiveness, as well as the social role of corporate communication.

3.6.1 Communication, Organisational Effectiveness and Efficiency

There is no debate about the fact that all organisations which are in business want to make a success of what they do. What may not necessarily be clear is the amount of effort and systems that have been put in place to facilitate the realization of those goals. Measurement of organisational success has been a subject of debate. It does seem there has been a general agreement that organisational success can be measured in financial terms (Paul and Taylor 1986; Hobbs 1987).

However, recent thinking suggests as pointed out earlier, that financial performance alone cannot be the measure of organisational success. For example, Grunig and Grunig (2000:303) list the most admired corporations based on quality of management; quality of products and service; innovation; value as a long-term investment; financial soundness; ability to attract, develop and keep talented people; community and environmental responsibility; and use of corporate assets. What this argument highlights is that a community remains an important part of the equation of organisational success.

If one has to engage the community to achieve a balanced organisational success, the issue of communication becomes very central. One may also add that it is not just communication that is necessary, but communication that is efficient and effective. It may not be easy to come up with a generally accepted meaning of effective communication but there is no debate that "all organisations regard effective communication as essential for survival. Fielding (1996:4) argues that "effective communication involves a wide range of communication activities to ensure good upward, downward and lateral or sideways communication". It is important to note that an organisation does not only operate within its own environment but it also functions within the context of an external environment. "This environment consists of customers, suppliers, the general public, government departments and the country as a whole"

(Fielding 1996:5). For this reason communication needs to enable CSI programmes to realise shared goals with funded communities, at the same time it needs to be efficient.

Ihator (1999:34) also raised an important point regarding communication. His view is that "communication effectiveness may be mediated by the medium of the message, participant's previous experience, perceived intentionality and goal of communication, unequal social status between sender and receiver, and *prima facie* self-interest nature of the transmitted message". The argument above raises an important issue of context within which communication takes place. Contexts are different, therefore different contexts will influence even the same message differently. The context in which communication takes place can be cultural, physical and relational. Within corporate social investment contexts corporations have traditionally been the source of message and perceived to be superior in communication with the society" (Ihator 1999:34). Companies which relate to communities from a position of being superior, may adversely affect two-way communication with the communities with which they work. Failure to promote two-way communication invariably leads to ineffective communication. Currently there seems to be practice for companies to work with communities, rather than impose on them. The relationship between the community and the business community is now seen as a partnership where all parties involved contribute equally, based on their

strengths. It has been argued that if communication is managed effectively it facilitates shared vision which is a cornerstone for success of any programme. An important addition to this debate about effective communication is the characteristic of effective communication. Solomon (1999:54) says they are;

- Communications programmes must be developed proactively rather than reactively
- A comprehensive communications programme should be an essential part of organisation's business strategy

It can also be pointed out that for communication to be effective it must be managed efficiently. Again efficiency is a relative term. However, communication can be said to be efficient if it is regular and timeous, there are regular communication structures and where necessary, communication protocol is observed. This is well articulated in Ansari and Phillips (2001:125) who say that "effective communication that is direct, accurate, timely and relevant is a major factor in multi-stakeholder and interprofesssional collaborations". They go on to argue that communication needs to be of high quality, frequent, informative, comfortable and allow for effective delivery of the intended messages (Ibid:125). All these points of view have highlighted a very important point, that is, that for communication to be effective, it must be managed efficiently.

3.6.2 The Social Role of Corporate Communication

An argument has been put forth that an organisation can no longer be judged only by its financial performance but also by its social role or the contribution it makes towards social upliftment. Against this background, the social role of communication becomes very important. Ihator (1999:33) argues that the role of a communicator is "to be helpful in formulating creative and pragmatic strategies that enhance corporate perception, image, and mutually rewarding interactivity between a business and its various constituencies". One of the constituencies that Ihator is referring to here is the society. It is through proper management of communication that this important link between society and the corporate sector can be established. As corporations expand or downsize, it is very important for them to keep stakeholders, both internally and externally, informed about the developments. Some people may argue that companies are not obliged to inform society about what they are doing as a company. The counter argument is that people are more receptive to change if they know what it is meant to achieve. Changes in organisations directly or indirectly affect communities. It is therefore important to establish a communication link with surrounding communities. An important observation is that in current literature there is no evidence pointing at communication from the community to companies. If in reality that is the situation, this may point to

a major weakness in the nature and quality of communication between the community and companies.

In recent years we have seen a marked increase in spending on social responsibility programmes. What remains unclear is the degree of involvement of the community. It is not evident if such funding benefits the community in the way they would like to benefit. In some extreme cases, there may be projects that are taking place within the community that some members of the community are not even aware of. This underscores the importance of communication at all stages of financial support, from proposal for funding to completion of projects. Novek (1999:62) puts this aptly when he says a well defined programme of communication:

Would teach participants to share a common vision through communication. Communication practices are central in building the social bonds that allow collective action.

Novek's argument is also supported by Habermas (1984:32) who coined the term "communicative action" to describe the joint undertakings of people who share common understandings and views. When members of a group share perceptions, he says, they no longer act exclusively out of individual self-interest, but coordinate their actions for mutual benefit. The

point being advanced here is that for any venture involving the community and the corporate sector to be successful, there must be a shared vision between the two parties. This involvement should not be seen as one party helping another party but it should be seen as a partnership which is mutually beneficial. There is no doubt that communication would go a long way towards achieving this goal.

3.7 CORPORATE SOCIAL INVESTMENT, COMMUNICATION AND SOCIAL ENGINEERING

An argument was put forth earlier that corporate social investment is largely a strategy used by some companies to penetrate a market. This is what prompted Friedman (1970) and Semsek (1979) to conclude that corporate social responsibility (as these authors called it) is a strategy for maximizing returns to shareholders. Recent trends have moved away from this approach. Sen and Bhattacharya (2001:226) argue that corporate social responsibility, also referred to as pro-social corporate endeavors or corporate social performance, has traditionally been conceptualized rather broadly as managerial obligation to take action to protect and improve both the welfare of society as a whole and the interest of the organisation. This current approach suggests that companies and communities can assume partnership roles. The idea that the two parties, namely companies and communities need to assume a collaborative relationship

is captured by McGee (1998:379) who posits that the more recent approach to CSI is “a comprehensive proactive social responsiveness view” that articulates a company’s long-term role in a dynamic social system”.

Arguments put forth by Sen and Bhattacharya (2001) and McGee (1998) serve to highlight one important point, that a company can no longer afford to stand aside and enjoy good return on investment without due consideration to the welfare of its employees and the surrounding community. This approach suggests a balanced view of organisational success which leaves the company, the community and the government jointly enjoying success achieved through joint efforts.

It has been argued earlier that corporate social investment is an integral part of public relations. In fact CSI is partly a public relations exercise. Against this background one can strongly argue for the contribution made by public relations in nation building or social engineering. Taylor (2000:180) argues that “a review of public relations, communication campaigns, and development communication literature shows that national governments see communication as a valuable resource in nation building”. It is not the purpose of this research to discuss how that can be done. However, one can mention communication campaigns and development communications, as examples.

3.8 MANAGING COMMUNICATION IN CORPORATE SOCIAL INVESTMENT

It must be reiterated that *shared vision is a prerequisite for any partnership to succeed and it can only be achieved through effective management of communication. It is against this background that one can argue that communication should be managed properly. Managing communication can only be possible if one has a clear vision or understanding of what it is meant to achieve. The ensuing discussion focuses on what generally could be seen as the general role of communication within a business organisation. What is of particular importance in this discussion is communication and corporate philanthropy because it has direct relevance to the topic under review.*

3.8.1 Image and identity

Organisations want to be identified with a certain product, a certain role within the economy of the country (or internationally) and a particular role within the society. Argenti (1996:7 6) argues that "Image is a reflection of the organisation's reality. It is the corporation as seen through the eyes of constituents". What is being suggested by Argenti, is that through proper management of communication, constituencies can be made to gain an

image of the company, which the said company deserves. They (communities) are further enabled to understand what the company is about and for what it stands.

3.8.2 Corporate Advertising and Advocacy

This is another area of corporate communication which needs to be managed properly. This is largely meant to influence public opinion about what the company stands for. Although this has no direct bearing on corporate social investment, it has an important role to play because it influences how the public views the company.

3.8.3 Media Relations

There is no doubt that the media has become a very powerful tool for influencing public opinion. If it is handled properly it could be of great benefit to the company. Media relations' focus is not necessarily on corporate social investment. However, the company's involvement in corporate social investment can be highlighted and be well publicised through electronic and print media. The media can also give negative publicity about the company to the public if media relations is not handled properly.

3.8.4 Employee Relations

This is mainly about how the company uses internal communication mechanisms to influence the work-force to think positively of the organisation. This form of communication also plays an important role in managing change within an organisation because employees need to be informed of the changes that will take place in an organisation and why these changes are necessary.

3.8.5 Community Relations and Corporate Philanthropy

In the previous discussion it has been stated implicitly that one of the most important roles of corporate communicators is to assist surrounding communities to develop and what is expected of the community should be communicated in no uncertain terms. To fulfil this role, corporations work with non-profit organisations and community-based organisations. In the past the reason behind corporate philanthropy was to make everyone happy because as the company generates better profits, it shares such profits with surrounding communities. This line of thinking has been taken a step further. Currently, companies want to be seen to be taking community upliftment seriously. Such a gesture puts the company in a favourable disposition to the community and the government.

3.8.6 Government-Corporate Relations

This is a relationship which needs to be maintained. Business operates within a particular political environment. This environment should be made positive for business development. In return business should assist the government to fulfil its mandate of service delivery to people. The government cannot do this on its own. It needs the help of business. One can say that, business is starting to show a lot of interest in community development. In recent years we have seen business participation in projects which were traditionally seen as a government obligation. For example we have seen business build schools, clinics and other important community projects. It can never be overemphasized that the relationship between government and business should be nurtured through healthy dialogue. Structures should be put in place to facilitate this dialogue. While it is true that business is beginning to make a significant contribution towards community development projects, there is no evidence of enabling legislation from the government to enhance this contribution. No clear evidence of structures of government-business communication have been put into place. This important function seems to be done on an adhoc basis. This is an area which still needs special attention, more especially, from government.

3.9 EMPOWERMENT THROUGH COMMUNICATION

Communication plays an important role in the lives of the people in a number of ways. One of the most important contributions of communication to human development is that it empowers them through information and goal sharing. It is common knowledge that knowledge is power.

This line of argument has been strongly supported by scholars of contemporary society who say that "communities empower themselves when people share common goals and act together for social change. These communities often share a vision of 'civil society', where people of all classes and races are committed to the common goal" (Novek 1999:61).

If the goals of programmes, including corporate social investment programmes have been communicated well, all the parties involved feel the ownership of the process. They will invariably feel that they can make a positive contribution towards the success of the project. Another important advantage of well managed communication in CSI programmes is that opportunities for observing protocol are enhanced. This is of particular importance more especially in places like KwaZulu-Natal where

communication protocol is (because of culture and tradition) such an important and sensitive issue.

Based on the argument above, one can conclude that communication plays an important role in empowering communities through information and goal sharing. When communication is managed properly in CSI programmes, it facilitates shared vision which is a cornerstone for success of CSI programmes as discussed below.

3.10 CONCLUSION

As discussed in section 2.2, corporate social investment has been an ongoing activity for many corporations. CSI, as it has been suggested, may be a way of demonstrating the company's commitment to social upliftment. In one way or another, corporations have somehow publicised all the good the company was doing to benefit the community. However, it must be reiterated that there is a general agreement that "by communicating to the public why they are involved in the community, companies and corporations demonstrate the value and importance of their programs and initiatives, as well as generating greater benefits from both community as suggested earlier. It was pointed out earlier that through properly managed communication companies become

increasingly aware of community needs and they also get an opportunity to communicate their vision.

CHAPTER 4

RESEARCH METHODOLOGY

4.1 INTRODUCTION

This chapter discusses the research methodology used in the investigation. This study used a combination of both qualitative and quantitative methods. It had two populations. The first sample comprised CSI Practitioners (public relations/public affairs managers and corporate communication managers). The second sample comprised communities which receive funding from the corporate sector. Based on the two populations, the study follows two-sample design, one for quantitative data and the other for qualitative data. For quantitative data, corporate communications managers, public relations managers, public affairs managers or anyone designated to perform such role was used as a respondent. A questionnaire was distributed to the respondents who were then asked to rate their responses in a Likert-type of scale. Based on these responses, conclusions were drawn on how communication is handled between companies and communities and recommendations were made. To collect qualitative data, a selected group of recipients of corporate social investment funding were used as respondents. These respondents were selected purposefully to ascertain that only respondents

with relevant data were interviewed. Närman (1995:13-14) argues that "because samples are deliberately drawn and fairly small (sometimes only one or two case studies), generalisations of findings derived from them can hardly be made to any wider population". It is against this argument that there is justification for the selection of only a limited number of respondents. What is of more importance is the quality and depth of data that the selected respondents provided. They were asked to respond to open-ended questions. Based on that information, categories and themes were established. As indicated earlier, while this study remains largely quantitative, it also had an important component of being qualitative. For that reason a brief discussion of the two methods is presented and a justification for their choice is made. But before that is done, hypotheses will be restated.

4.2 FORMULATION OF HYPOTHESES

Based on the objectives of the study the following hypotheses were formulated and presented as follows:

4.2.1 Communication between business organisations and communities does not facilitate the realisation of mutually beneficial goals

4.2.2 Communication between funding business organisations and communities is not regular.

4.2.3 Communication between funding business organisations and communities does not empower these communities.

4.2.4 Corporate social Investment (SCI) managers find no difference in communication efficiency between CSI programmes in education and training on the one hand and other forms of CSI programmes on the other hand.

4.3 QUALITATIVE AND QUANTITATIVE APPROACHES

These two research paradigms have for the past many years been thought of by purists of each paradigm as mutually exclusive. However, the practical act of conducting research suggests that in fact, these two paradigms need not be mutually exclusive. Both paradigms can be used in a complementary and not necessarily a contradictory fashion for the purpose of enhancing the outcome of the investigation. This is precisely what is intended in this study. This study is based on what is called dominant-less dominant design. Creswell (1994:177) argues that "in this design the researcher presents the study within a single, dominant paradigm with one small component of the overall study drawn from the alternative paradigm." In this study the more dominant component is the quantitative as one will be shown below. However, the qualitative aspect has an important part to play as well, more especially in capturing data

from the communities which participate in CSI programmes. Such data cannot be adequately captured through quantitative methods.

4.3.1 Qualitative Methodology

It is not easy to come up with a comprehensive definition of what qualitative methodology refers to. In an attempt to do that, a summary of what authors like Creswell (1994), have to say will be given. They basically look at qualitative methodology as a constructivistic or naturalistic approach an interpretative approach, or a postpositivist or postmodern perspective. It is a constructivistic approach because reality is not just thought of as a given fact, but as that which is constructed by individuals involved in the research situation as well. It is postpositivist or postmodern in the sense that it started as a counter movement to modernism or positivism of perceived rigid quantitative methodology. It is interpretative insofar as it advocates for continuous interpretation of data while it is being collected. In this methodology there is a lot of interaction between the informants and the researcher which may even include the researcher leaving or spending some time at the research site. Here the researcher acknowledges and reports his/her biases. Even the language used for reporting is different from that of quantitative methodology in the sense that the researcher may use first person. Creswell (1994:7) argues that in qualitative methodology inductive logic prevails. Categories emerge

from informants, rather than being identified as **a priori** by the researcher. A distinctive and possibly the most interesting feature of this method is that the main concern is not so much the outcome or product but the process. Qualitative methods are concerned with understanding the phenomenon rather than predicting the outcome or control of variables. Qualitative methodology deals mainly with descriptive data such as descriptions of people, places, words and pictures, phenomena which are not easily handled by statistical procedures (Wickham 1997:5).

4.3.2 Quantitative Methodology

A very distinctive feature of this methodology is that it uses a deductive form of logic, wherein theories and hypotheses are tested in a cause-and-effect order (Creswell, 1994:7). In this methodology, the researcher designs the research project with well defined and clearly distinguished variables and hypotheses and these remain fixed until the end of the study. Throughout the study, the researcher remains distant and independent from the object of research. This method is seen as objective and this becomes even more evident in the language used in writing the report. The researcher has to use impersonal language when presenting the findings. For instance the researcher may not use first person "I", but instead has to use the third person "the researcher". In some instances the researcher uses impersonal language like "It was discovered"

instead of "I discovered that....". The importance of using the third person lies in the fact that the researcher must be seen to be an objective observer and not a subjective participant. In this study such language was used to conform to set standards of writing research reports. Special sets of words such as relationships, comparison and within-group are used when the researcher writes the study. In other words the researcher looks how variables relate to and affect one another.

4.4 SAMPLING DESIGN

An attempt being made in this study was to design a sample which is as representative and as generalisable as possible. However, it should be acknowledged that designing a truly representative sample is not always possible given the fact that in most instances "researchers are dependent on the goodwill and availability of subjects" as Bell (1993:83) puts it. In spite of all the problems related to sample design, an attempt was made to design a sample that would produce both valid and reliable results.

Du Plooy (1995:61) acknowledges that "sometimes researchers find themselves in a position where it is difficult or even impossible to draw a random sample". This study also experienced the same problem where it was extremely difficult, if not impossible, to draw a random sample because of a limited number of potential respondents. It is against this

background that a non-probability sample was drawn. "A non-probability sample is the sample that does not represent the population, because each unit in the population does not have an equal chance of being included" (Du Plooy, 1995:61). Martins, Loubser & van Wyk (1999:253) argue that non-probability samples rely on the judgement of the researcher and are only as representative as the researcher's luck and skill permit. There are four types of non-probability samples, viz convenience or accidental sample; purposive sample; volunteer samples and snowball sample. For the purpose of this study, purposive sampling was used. It ensured that the information given by the respondents would be of direct relevance to the investigation. However, the disadvantage is that purposive sampling is known to compromise on external validity. In this study that problem was addressed by the fact that respondents for both samples were drawn from as big a number as possible.

4.4.1 Sample, population and subjects

The target population for this study was public relations managers, communication managers, community affairs managers or any designated person whose duty is to work with communities as part of corporate social investment in South Africa. Organisations which qualified to form the population of this study are those which already have running corporate social investment programmes. This population was chosen because the

study sets out to determine the extent to which communication is used as a tool by such organisations to manage corporate social investment.

For obtaining quantitative data the sampling procedure was not a conventional one because of the limited number of organisations with corporate social investment programmes. The sample included companies in and around Richards Bay and Durban. These were selected on the basis of the researcher's knowledge of their location. However, because of the limited number of possible respondents in the two areas, in some instances, it became necessary to include other companies from different parts of the country as well. This does not compromise the credibility of the study because there are organisations which are outside the province of KwaZulu-Natal but which run corporate social investment programmes in this province. The research conducted by Nel and Nel (2000) served as an important source for identifying participating companies. Media surveys (Sowetan 2001, Sunday Times 2002 and Daily News 2001) also served as important sources for identifying participating organisations. Where contact persons' postal addresses and e-mails were not readily available, the internet was used as an important resource for getting such information.

The selection of respondents for qualitative data was a combination of purposive sampling and snowball sampling. In snowball sampling the

respondents that are interviewed lead the researcher to other possible respondents.

4.5 INSTRUMENTATION AND MATERIALS

A number of studies in communication and related fields have been conducted (Taylor, 2000; Tamm, 1974; Chimwaza, 2000; Steyn, 2000; Skinner, 1995). Similarly a number of studies have been conducted on corporate social investment (Ssemwogerere, 2000; Grobler, 1988). These studies seem to ignore the role of communication in corporate social investment. They seem to treat communication and CSI separately. Skinner (1995) is one of the researchers who came closest to combining the two. What is also clear from these studies is that there does not seem to be a standard instrument that is used for *measuring communication and/or corporate social investment as is the case, for instance in occupational stress inventory* where the instrument can be adapted from OSIT scale. It is against this background that new instruments were developed to highlight this link between communication and corporate social investment.

4.5.1 The Structure Of The Instrument

The instruments used in this study were a closed-ended questionnaire and open-ended interview schedule, to cater for both quantitative and qualitative data. For quantitative data a closed-ended questionnaire consisting of two sections was used. The first section focuses on the background of the organisation, which includes the following:

- Nature of business
- Categories where the organisations spend money
- Categories where they spend more money
- Which communities they mainly assist

The variables highlighted under background information were thought to be important because they influence the way communication is understood and therefore handled by such organisations.

The second section of the questionnaire measured how communication is used as a tool to manage corporate social investment. To this end, a four-point Likert-type scale was used. In this scale, the respondents were asked to indicate the extent to which they agreed with the statement made. Some statements were positively worded and others were negatively worded to facilitate internal validity of the questions. For the

statements which were positively worded, the scores were arranged as follows: Strongly Agree 4; Agree 3; Disagree 2 and Strongly Disagree 1. For statements which were negatively worded the scores were arranged as follows: Strongly Agree 1; Agree 2; Disagree 3 and Strongly Disagree 4. In this study the midpoint category or neutral point was purposely excluded because it attracts respondents to choose it, sometimes merely for non-committal purposes (Urbani, 1993:96). The advantages of using a Likert-type scale are the ease with which we can develop the scale, and the fact that reliability can be measured at the same time as the data is collected (Du Plooy, 1995:82).

The second part of data collection involves the use of open-ended questions for conducting unstructured interviews. This section was also structured according to the objectives, but it still afforded the respondents an opportunity to express their views on communication and corporate social investment as they understood these. Although these questions remain open-ended, they were phrased in such a way that they shed light on how communication is handled in corporate social investment programmes. Where necessary, probing questions were asked. A tape recorder was used to record responses.

4.5.2 Validity And Reliability

Validity and reliability are two very important aspects of research. Validity refers to the extent to which an empirical measure adequately reflects the real meaning of the concept under consideration (Babbie, 1992:1320). There are many kinds of validity viz: face validity, expert jury validity, criterion validity, construct validity and content validity. Of particular importance in this study is content validity, face validity and construct validity.

Content validity refers to the degree to which a measure covers the range of meanings included within the concept (Babbie, 1992:132). In order to achieve validity in this study, questions were carefully chosen. They were designed in such a way that they addressed each hypothesis which means each hypothesis has a set of questions, in order to ascertain that relevant information is elicited.

Construct validity involves relating a measuring instrument to some overall theoretical framework to ensure the measurement is actually logically related to other concepts in the framework (Wimmer and Dominick, 1994:59). To achieve construct validity in this study, it was important to develop a theoretical framework on how variables related. It was also very important to work out what each hypothesis attempted to test so that

appropriate and relevant questions were formulated. To this end key words and key concepts were identified in each hypothesis operationally defined and questions formulated.

4.6 DATA COLLECTION PROCEDURE

4.6.1 Permission to conduct the study

For collecting quantitative data, there was no need to request permission to conduct such a survey because the respondents were managers in their own right. However, a covering note was sent with the questionnaire to explain what the study was about and to assure the respondents that the information requested would be treated with the strictest confidentiality.

Interviewing the recipients of funds/members of the community posed a different challenge. There was a need to request permission from funding business organisations. Just like in the case above, the respondents were also given the assurance that the information obtained would be treated with the strictest confidentiality.

4.6.2 Data collection

In this study, a combination of two data collection methods were used. In order to collect qualitative data, there are four commonly used data collection methods viz mail surveys, telephone surveys, personal interviews and group administration. For distribution of closed-ended questionnaires an adapted form of 'disk-by-mail' survey (DBM), which is a form of mail survey, was mainly used. It is adapted, in the sense that instead of giving respondents computer disks which contain a self-administered questionnaire, which they then complete on their personal computers (Wimmer and Dominick, 1994:130), they were sent an e-mail with a file attachment, where they were requested to respond and e-mail it back to the researcher. However, it is acknowledged that it is not every respondent who has access to the e-mail facility. In that case, conventional mail surveys, telephone surveys or personal interviews were used. The use of different data collection methods did not compromise the reliability of data because respondents filled in the same questionnaire.

In order to collect qualitative data, two methods of data collection were used viz. telephone interviews and personal interviews. The choice was based on the availability of respondents and time. The same set of

interview questions were used in both instances so as to ascertain that there is consistency.

4.7 DATA ANALYSIS PROCEDURE

Data in this study is largely quantitative, hence a quantitative data analysis procedure was used. For data analysis, the statistical packages for social sciences (SPSS) was used for both descriptive and inferential statistics. Qualitative data was analysed manually and conclusions were made based on patterns and themes that emerged.

4.7.1 Descriptive statistics

In order to ascertain that all research objectives are adequately covered, specific questions were designed for each objective, and as such, data analysis followed the same procedure, i.e. analysis of responses focusing on each hypothesis that is being tested. In the quantitative part of the study *descriptive statistics* was used. "Descriptive statistics simply refers to procedures for condensing information about a set of measurements" (Bless and Kathuria, 1993:77). The reason for using descriptive statistics in this part of the study is that it provides a better chance of summarizing information and tabulating it to make it more readable and accessible. In order to make a more meaningful summary, measures of central tendency

were done. The main focus was on the arithmetic mean, median and mode.

The mean is a useful tool for determining the center of gravity of the series or comparing different samples of the same population, because it usually varies less from sample to sample than the other central values (Martins, Loubser and van Wyk, 1999:311-12). The mode is the value that occurs more often than the other two (Bless and Kathura, 1993:35)

4.7.2 Inferential Statistics

For the quantitative side, this study not only used descriptive statistics as indicated above, but also inferential statistics. "Inferential statistics assists the researcher in drawing conclusions from his/her observations". Typically, this involves drawing conclusions about a population from the study of a sample drawn from it (Babbie, 1992:430). To this end this study applied the most frequently used non-parametric statistical test, which is the chi-square (χ^2). "The chi-square test is concerned with comparing differences in the actual (or observed) frequencies (or counts) with the expected frequencies (or counts) in respect of a certain attribute for the sample under investigation, to determine whether the differences (except for sampling error) are typical of the population from which the sample was drawn" (Behr, 1983:80).

As it was indicated under 4.1 above, some questions were positively worded and others were negatively worded. For all the questions which were positively worded, the scores were arranged as Strongly Agree 4, Agree 3, Disagree 2 and Strongly Disagree 1. For all the questions that were negatively worded, the scores were reversed and arranged as Strongly Agree 1, Agree 2, Disagree 3 and Strongly Disagree 4. For scoring purposes three descriptive categories were formulated. The categories were identified as Poor Communication (PC), Moderate Communication (MC) and Good Communication (GC). The questionnaire consisted of thirty seven items which means the highest possible score is (HPS) ($37 \times 4 = 148$) and the lowest possible score is (LPS) is ($37 \times 1 = 37$).

The highest possible score was obtained by the respondent who scores 4 x number of items and the lowest possible score was obtained by the respondent who scored 1 x number of items. In order to create a class interval of three categories the following formula was used:

Highest possible score minus lowest possible score divided by three i.e

$$148 - 37 = 111$$

$$111 \div 3 = 37$$

The arbitrary class interval is 37. The categories were created as follows:

PC	MC	GC
37 - 74	75 - 111	112 - 148

The number of respondents falling within each category determined whether communication was poor, moderate or good. The null hypothesis is rejected at 0.05 significance level. If the calculated probability value of the result (p) is greater than 0.05 level of significance ($p < 0.05$) the null hypothesis is accepted. If the critical value is less ($p < 0.05$) the null hypothesis is rejected.

The same principle was used to test hypotheses 2 to 5 where a chi-square test was used. The categories were established as follows

Hypothesis One

This hypothesis attempted to see if communication does or does not facilitate mutually beneficial goals. The three categories which were established were divided as follows: non-facilitative (NF); facilitative (F) and highly facilitative (HF). There were ten questions which covered this hypothesis hence the lowest possible score was $10 \times 1 = 10$ and the highest possible score was $10 \times 4 = 40$. The class interval was established as follows

NF	F	HF
10 - 20	21 - 30	31 - 40

Hypothesis Two

This hypothesis attempted to determine if communication between funding business organisations and communities is regular. For the purposes of analysis, three descriptive categories were established as follows: Irregular Communication (IC), regular Communication (RC) and highly regular communication (HRC). This item had ten questions which meant the lowest possible score was $8 \times 4 = 32$. The arbitrary class interval was established as follows

IC	RC	HRC
8 - 16	17 - 24	25 - 32

Hypothesis three

The purpose of this hypothesis was to establish if communication between funding business organisations and communities is empowering to communities. Three descriptive categories were established as follows, Disempowering Communication (DC), Empowering Communication (EC), and Highly Empowering Communication (HEC). There were ten questions

which covered this hypothesis hence the lowest possible score was $10 \times 1 = 10$ and the highest possible score was $10 \times 4 = 40$. The arbitrary class interval was established as follows

DC	EC	HEC
10 - 20	21 - 30	31 - 40

Hypothesis Four

The purpose of this hypothesis was to determine if corporate social investment managers find a difference in communication efficiency between corporate social investment programmes in education and training on the one hand. Three descriptive categories were established as follows: Inefficient Communication (IEC), Efficient Communication (EC) and Highly Efficient Communication (HEC). There were nine questions for this objective hence the highest possible score was $9 \times 4 = 36$. and the lowest possible score was $9 \times 1 = 9$. The arbitrary class interval was established as follows

IEC	EC	HEC
9 – 18	19 – 27	28 – 36

4.8 ETHICAL CONSIDERATIONS

Ethics issues in a study of social sciences pose a serious challenge to researchers. "Ethics involve the assessment, based on "moral" values, of

courses of action, directed by individual, social and cultural values and experience" (du Plooy 1995:45). Du Plooy suggests that in all social research and in communication in particular, ethical issues fall within the broad categories of the protection of the rights of human subjects and the ethics of writing. To ascertain that these ethical considerations were complied with, the researcher saw to it that:

- The rights of respondents were not violated
- Plagiarism, tampering with data, concealing information and distortion of data was avoided at all costs

4.9 CONCLUSION

This chapter outlined the nature of the study and briefly discussed methods used in the study. A discussion of the questionnaire design was made. As pointed out for scoring responses, three categories were created, viz, Good Communication (GC), Moderate Communication (MC), and Poor Communication (PC). Chi-square was selected as the statistical test and the significance level for rejecting the null hypothesis is 0.05.

CHAPTER 5

PRESENTATION AND ANALYSIS OF DATA

5.1 INTRODUCTION

Chapter 4 gave a detailed discussion of the research design and methodology used in this study. Chapter 5 considers the findings based on analysis of data. This chapter consists of two parts. The first part provides descriptive statistics of the results and the second part provides inferential statistics where hypotheses are tested. Also integrated within the presentation of data are the responses of the respondents during interviews. As indicated in the methodology chapter, the interviews targeted recipients of funding by the business community.

The overall purpose of the study was to determine the extent to which the business community use communication as a tool to manage corporate social investment programmes. Much of the discussion will revolve around this issue. As a way of starting this discussion, one will start by presenting a summary of the findings through simple descriptive statistics.

5.2 PRESENTATION AND ANALYSIS OF DATA: PART I

This part of the discussion attempted to answer three questions which are (a) Which programmes are mostly funded by business organisations? (b) In which programmes do they spend more money? and (c) Which communities do they mainly assist?

5.2.1 Which Programmes Do You Fund?

In this question the respondents were allowed to choose more than one answer from the following categories (a) Education and Skills Development, (b) Sports, (c) Health and Safety Programmes, (d) Reconstruction and Development. Programme (RDP) and (e) Other. These categories were formulated on the basis of the nature and groupings of programmes funded by organisations. In order to analyse the responses were rank-ordered and percentages were calculated as table 5.1 shows.

TABLE 5.1 RANK ORDER AND PERCENTAGES OF PROGRAMMES FUNDED

Programmes Funded	Rank Order	Number of Respondents	Percentage
Education and Skills Development	1	102	89%
Sports	2	77	68%
Health and Safety Programmes	3	62	54%
Reconstruction and Development Programmes (RDP)	4	38	33%
Other	5	12	11%

The percentages do not tally to 100% because the respondents could choose more than one answer. As the table 5.1 indicates, the pattern that emerged from the responses on the last category show that Entrepreneurial and Technology Development featured strongly in this category. Information Access through technology also featured very strongly. The data presented in table 5.1 can best be summarised as shown in figure 5.1

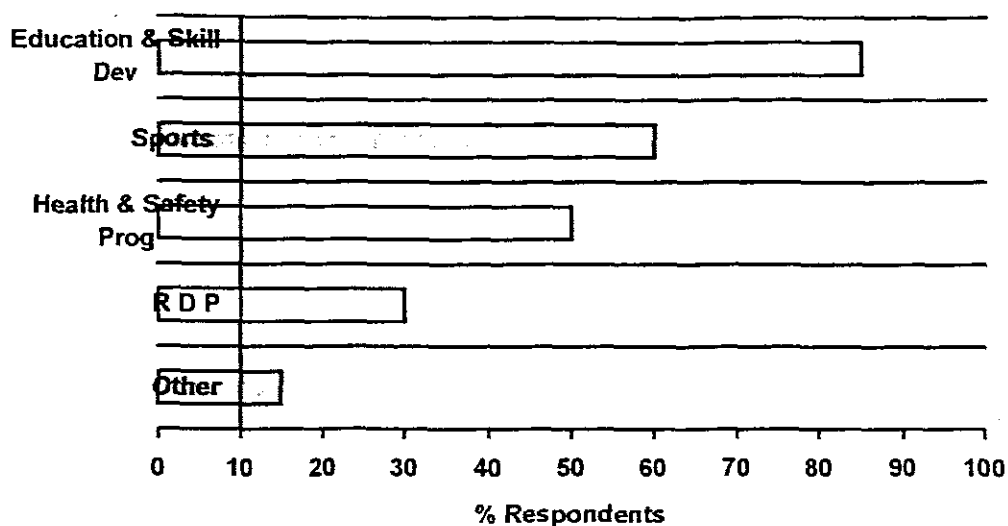


FIGURE 5.1 PROGRAMMES FUNDED

5.2.2 In Which CSI Programme Do You Spend Most Money?

As indicated in section 5.2.1 corporate social investment covers a wide range of programmes. The same categories used in 5.2.1 were used to establish in which programmes do organisations spend most money.

Table 5.2 presents the summary of the findings.

TABLE 5.2 RANK ORDER AND PERCENTAGES OF PROGRAMMES WHERE MOST EXPENDITURE IS MADE

Programmes Funded	Rank Order	Number of Respondents	Percentage
Education and Skills Development	1	80	70%
Health and Safety Systems	2	15	13%
Other	3	10	9%
Reconstruction and Development Programme	4	9	8%

Table 5.2 shows that education and skills development remain on top of the list because it was ranked number one with 80%. However, the table shows a slight change in the priorities of business organisations in terms of what they see as important programmes to be funded. The first noticeable change is that while quite a few companies still invest in sports, they do not see it as a priority and as a result none of the companies indicated that they spend most money on sports.

According to table 5.2, health and safety programmes were ranked as number two, with 13% of the companies seeing them as very important. Compared to 80% in education and skills development, one would say this is a sharp drop.

Table 5.2 shows that the category, "Other", was ranked as number three. As discussed in paragraph 5.2.1, "Other" mainly involved entrepreneurial and technology development, information access through technology, and community projects. Presented data show that 9% indicated that they spend more money on such programmes. When one compares this to 80% for education and skills development, this is a negligible figure.

Finally, Reconstruction and Development Programme (RDP) was ranked number four with 8% (table 5.2). The analysis of responses discussed in this section can best be summarised in Figure 5.2.

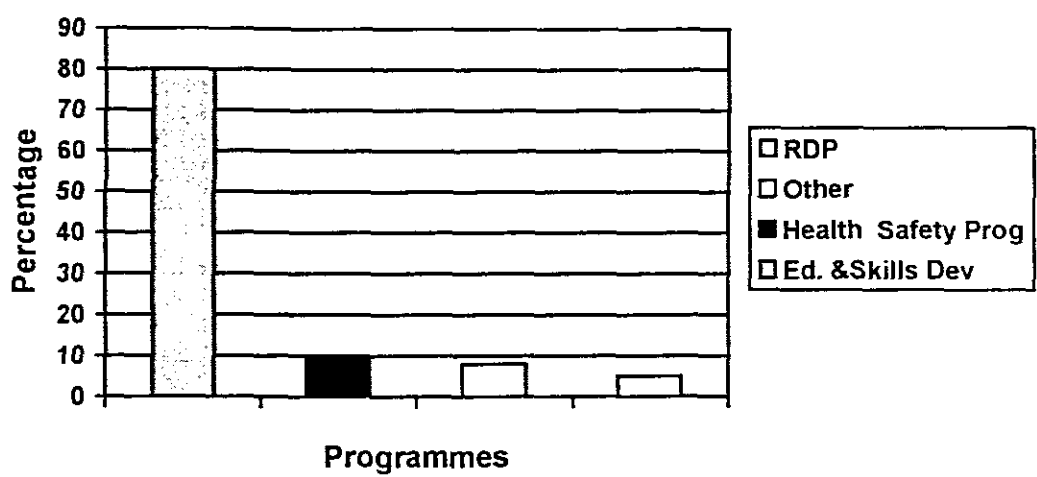


FIGURE 5.2 PROGRAMME WHERE MORE EXPENDITURE IS MADE

As discussed earlier in this section, figure 5.2 indicates that 80% of organisations ranked Education and Skills Development as number one, 13% ranked Health and Safety Programmes as number two, 9% ranked “Other” as number three and 8% ranked Reconstruction and Development Programme as number four.

5.2.3 Communities Mainly Assisted

The study also set out to establish which communities are focussed on by corporate social investment programmes. It is common knowledge that rural communities have always been seriously disadvantaged in terms of

resource provision and infrastructure development. For purposes of this research, these communities were divided into three categories, viz, rural, peri-urban and urban. The respondents were allowed to mark more than one category. The responses were rank-ordered. Table 5.3 shows the picture that emerged.

TABLE 5.3 RANK-ORDER OF COMMUNITIES FUNDED

Community	Rank – order	Number of Respondents	Percentage
Rural	1	102	89%
Peri-urban	2	66	58%
Urban	3	33	29%

The respondents were allowed to choose more than one item and as a result, the score on table 5.3 would not tally to 100%. Table 5.3 shows that the majority (89%), of corporate social investment practitioners, support funding rural communities. The table also shows that 58% funded peri-urban areas while 29% supported funding for urban areas.

5.3 PRESENTATION AND ANALYSIS OF DATA – PART II

The main focus of this section is analysis of data based on the testing of four hypotheses. This section also discussed the outcomes of the

interviews that were conducted with the purpose of getting information/responses to open-ended items.

5.3.1 Testing Of Hypothesis Number One

This hypothesis can be restated as follows:

Communication between business organisations and communities does not facilitate the realisation of mutually beneficial goals.

In order to test this hypothesis the chi-square one sample test was used. Three descriptive categories were formulated as follows: Non-Facilitative Communication (NFC), Facilitative Communication (FC) and Highly Facilitative Communication (HFC). The Chi-square one sample test allowed the researcher to compare respondents within each of the three categories. The hypothesis was tested at the 0.05 level of significance.

TABLE 5.4 FREQUENCY OF ENDORSEMENT OF COMMUNICATION AS FACILITATING OF MUTUALLY BENEFICIAL GOALS

	NFC	FC	HFC
	(10 – 20)	(21 – 30)	(31 – 40)
Frequencies	-	70	44
$X^2 = 5.9$	df = 1		p<0.05

Table 5.4 shows that the descriptive category NFC was collapsed because no respondent fell within this category. When the test was run, a chi-square value of 5.930 at $df = 1$ was obtained. Based on the results and the chosen level of significance with the critical value of 3.84, the null hypothesis was rejected since $p < 0.05$. What this means is that communication does facilitate the realisation of mutually beneficial goals.

5.3.2 Testing Of Hypothesis Number Two

Hypothesis number two can be restated as follows:

Communication between funding business organisations and communities is not regular

Like in hypothesis one, a decision was taken that in order to test the statistical significance of this hypothesis, a chi-square one sample test will be used simply because this seemed the most appropriate test. The chi-square one sample test was appropriate here because it allowed the researcher to compare differences in observed frequencies and expected frequencies. To facilitate this process, responses were grouped into three descriptive categories, viz, Irregular Communication (IC), Regular Communication (RC) and Highly Regular Communication (HRC). These categories allowed the researcher to classify responses accordingly. In order to test the null hypothesis, 0.05 level of significance was chosen. After the test was run, none of the responses fell within the first category,

i.e. irregular communication and as a result, this category was collapsed.
 Table 5.5 gives a summary of the results.

TABLE 5.5 REGULAR COMMUNICATION

	IC (8 – 16)	RC (17 – 24)	HRC (25 – 32)
Frequencies	-	95	19
$X^2 = 50.7$	df = 1	p<0.05	

The test yielded results with a chi-square value of 50.667 at df=1. This is a clear indication that at the chosen level of significance of 0.05 with a critical value of 3.84, the results show that the responses are significant, which means that the null hypothesis is rejected since p<0.05. In terms of the results, it means that to a large extent, communication is regular between funding business organisations and communities.

5.3.3 Testing Of Hypothesis Number Three

Hypothesis number three can be restated as follows:

Communication between funding business organisations and communities does not empower these communities.

The purpose for this hypothesis was to test if communication does or does not empower communities. In order to test this hypothesis, a decision was

taken to use the chi-square one sample test because it is an appropriate statistical test for testing the difference between observed frequency and expected frequency. For purposes of analysis, three descriptive categories were formulated. These categories are disempowering communication (DC), empowering communication (EC) and highly empowering communication (HEC). In order to test the null hypothesis, a level of significance of 0.05 was chosen. When the test was run, the following pattern as presented in table 5.6 emerged.

TABLE 5.6 EMPOWERMENT THROUGH COMMUNICATION

	DC	EC	HEC
	(10 – 20)	(21 – 30)	(31 – 40)
Frequencies	4	79	31
$X^2 = 75.9$	df = 2	$p < 0.05$	

After the test was run and the analysis was done, a chi-square value of 75.947 df=2 was obtained. The interpretation of this scenario suggests that at a chosen level of significance of 0.05, it is significant because $p < 0.05$. The decision then is to reject the null hypothesis. The conclusion is that communication does empower communities.

5.3.4 Testing Of Hypothesis Number Four

Hypothesis number four can be restated as follows:

Corporate Social Investment (CSI) practitioners find no difference in communication efficiency between CSI programmes in education and training on the one hand and other forms of CSI programmes on the other hand.

As discussed in chapter four, the purpose of objective number four was to determine if there is any perceived difference in communication efficiency between the education and training sector and other sectors. In order to determine this, a decision was taken to use the chi-square one sample test because as indicated earlier, it is the most appropriate statistical test for measuring the difference between observed frequencies and expected frequencies. In order to run a chi-square test, three descriptive categories were formulated and the responses were classified according to these categories. They are, inefficient communication (IEC); efficient communication (EC) and highly efficient communication (HEC). The hypothesis was tested at a significance level of 0.05. The chi-square test yielded the results as tabulated in table 5.7

TABLE 5.7 EFFICIENCY OF COMMUNICATION

	IEC	EC	HEC
	(9 – 18)	(19 – 27)	(28 – 36)
Frequencies	7	106	1
$X^2 = 1803.0$	$df = 2$	$p < 0.05$	

The test yielded results with a chi-square value of 183.000 at $df=2$. Based on the results and the chosen level of significance of 0.05 with a critical value of 5.99, the null hypothesis was rejected. This means the CSI practitioners thought there was a difference in communication efficiency between education and training programmes, and other sectors. This statement in itself does not say much about who is really more efficient. Detailed analysis of questions 18, 20, 21, 24, 31, 32, 33, 34 and 35 which covered this aim, show a great deal of uncertainty on the part of the CSI practitioners on this issue. For instance when they were asked to respond to the statement “we get better feedback from other sectors that we fund compared to education and training sector”, the picture as presented in figure 5.3 emerged.

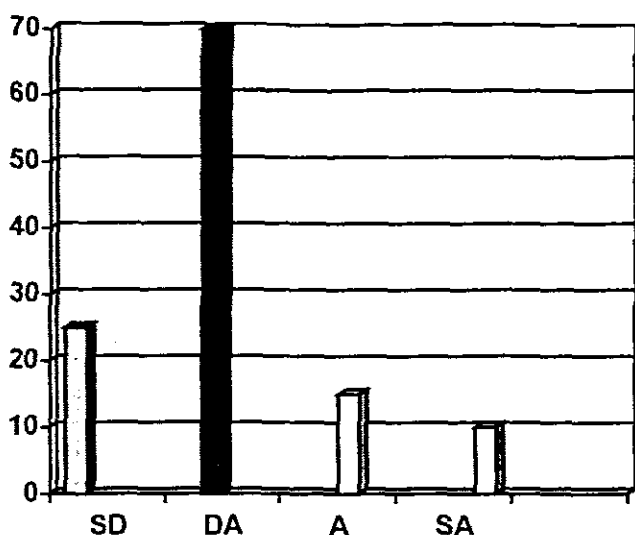


FIGURE 5.3 FEEDBACK FROM SECTORS

Figure 5.3 shows that an overwhelming majority of respondents (Strongly disagree 23.7% and Disagree 58.8%) did not think that other sectors are better communicators than the education and training one. In fact, they did not think that education and training sector communicates better than other sectors either. For instance on the statement “we get better feedback from education and training sector on progress reports for funded programmes”, the results show that they did not think that was the case as shown in figure 5.4.

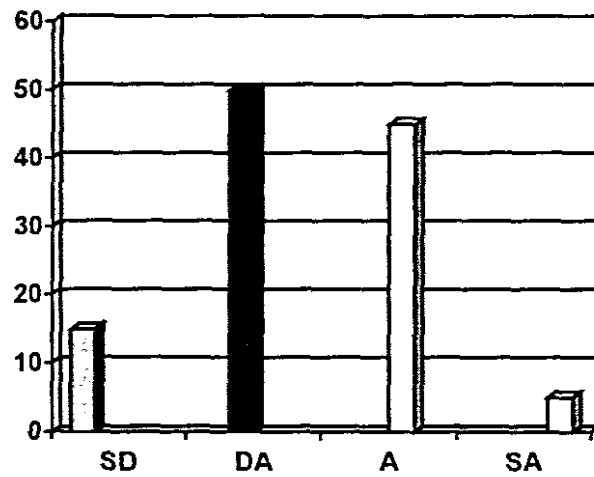


FIGURE 5.4 FEEDBACK FROM EDUCATION AND TRAINING

Figure 5.4 shows that 57.9% (SD and DA) did not think that education and training sector members are not necessarily better communicators and 42.1% (A and SA) thought that education and training sector members are better communicators. Possibly what this means is that there is actually no difference in communication efficiency between the education and training sector and other sectors. This conclusion is well supported by responses to the statement “all sectors that we fund communicate equally well”, 69.3% agreed while only 30.7% disagreed with the statement. One may conclude that, while statistically the null hypotheses is rejected, detailed analysis of each question shows that there is no difference in communication efficiency between different sectors who are recipients of corporate social investment funding.

5.4 Comparison of sectors' views on communication

The purpose of this part of investigation was to establish whether a difference exists between different sectors in the way they handle communication. Data collected conforms to interval scale of measurement. To test for significance of difference among group means, a decision was taken to use the Oneway Analysis of Variance (ANOVA or F-Test). This statistical test was chosen because it is best known for testing the difference when more than two means are compared (Martins, Loubser & van Wyk 1999). To further determine which mean score differs from which mean score, a multirange test was run. Table 5.8 presents the results:

TABLE 5.8 ONEWAY ANOVA FOR SECTORS AND COMMUNICATION

Source	Sum of Squares	Df	Mean Squares	F	Significance Level
1. Facilitation of mutually beneficial goals	444.224	3	146.741	16.009	0.000*
2. Regular Communication	0.937	3	0.312	4.199	0.007 *
3. Empowering Communication	198.377	3	66.126	4.816	0.003 *
4. Communication in Education and other Sectors	7.347	3	2.449	0.749	0.525

* $p < 0.001$

Table 5.8 reveals that with regard to category on communication and facilitation of mutually beneficial goals, there is a significant difference between sectors on to the way they see the role of communication in facilitating mutually beneficial goals. With regard to whether companies viewed communication as regular with communities, the table 5.8 reveals that different sectors hold different views on this matter. With regard to item on whether communication is seen as empowering to communities, it was the same situation, different sectors held different views on whether communication between funding organisations and communities is empowering to communities. However, it is noteworthy that table 5.8 reveals that different sectors do not hold different views on communication efficiency between education and other sectors.

The analysis was further enhanced by running a multiple range test. The test was run at the 0.05 confidence level and it revealed the results as tabulated in 5.9

TABLE 5.9 MULTIPLE COMPARISONS BETWEEN SECTORS

Sectors	Mean Difference	Significance level
Service and Mining & Energy	4.6600	0.000*
Service and Manufacturing	1.3386	0.680
Service and Retail	0.9338	0.886
Mining & Energy and Manufacturing	3.3214	0.052
Mining & Energy and Retail	3.7262	0.36
Manufacturing and Retail	0.4048	0.995

5.5 DISCUSSION OF FINDINGS

5.5.1 Findings With Regard To Biographical Data

When respondents were asked which programmes they fund, it emerged that education and skills development was ranked as number one, health and safety systems number two, RDP number three and "Other" number four. As discussed in section 5.2.1 "Other" mainly involved Entrepreneurial and Technology Development and information access through technology. One would imagine that this particular area needs very serious attention because knowledge is power and communities should be supplied with good information to make informed decisions. It is common knowledge that during this information age, technology is a catalyst. It is against this background that one would argue that this area still needs serious attention, if one looks at the low percentage of organisations putting funds in this area. The same argument applies to entrepreneurship development. South Africa at the moment is experiencing a very high level of unemployment. Experts in the economy suggest that one way of addressing high rates of unemployment is entrepreneurship development. The buzz phrase today is "South Africa should produce people who are not job seekers but who are employment creators". With this in mind, one would imagine that organisations (including government) would pay special attention to entrepreneurship development.

On the question of where more expenditure is made, organisations indicated that they spend more money on education and skills development. These findings are inline with the findings of Rockey (2002:77) which also ranked education as number one in CSI expenditure. It accounted for R792 million of the R2.2 billion of total CSI expenditure in 2002. If one adds R198 million spent on training, one can see that education and training accounts for 45% of the total corporate social investment expenditure. This is a step in the right direction because any country is as good as its people. Strong economies of the world like Britain, America, Japan, Germany and many more, have invested in the education of their people to provide a solid economic foundation and there are success stories to show for it. The big question then is "Why is South Africa still seen as a country with serious shortages in certain skills like science and technology, commerce and engineering if so much money is spent on education?". Is the money spent by both the private and the public sector on education spent wisely? If so much money is spent on education, "why are we not seeing an increase in skills that the country is in need of?" These questions may not be answered in this study but they certainly warrant further investigations. This point will be taken up under future research in chapter 6. What is important about the data in table 5.2 is that South African businesses are providing money for education and skills development.

It also emerged that not much was spent on sports. However, one may argue that investment in sports should still be encouraged because sports will always have an important role to play in the lives of people. Sports does not only have entertainment value but an economic value as well. Many people around the world make a very good living out of sports. It is no wonder that many companies spend a fortune advertising in sports.

The findings also showed a sharp drop on expenditure in health and safety systems. This is happening against the background of the HIV/AIDS pandemic which is seriously affecting the corporate world and the country as a whole. One would imagine that in the next few years, more and more organisations would begin to have an HIV/AIDS policy because this is a problem that just cannot be ignored. It is noteworthy that in the study conducted by Rockey (2002:77), combined health, safety and security accounted for 15% (R330m) of the total budget of R2.2 billion CSI expenditure. Of the R330m, R286m was spent on health. Based on this, one can conclude that there is a realisation that the health of workers is an important part of the health of the organisation. When people get sick and take leave, productivity is adversely affected. It remains to be seen how the health issue will be treated in the next couple of years by both the government and the private sector and what role the corporate social investment practitioners will play.

The study revealed that not much is spent on entrepreneurship and technology development. The 9% that is spent on this may be small but it is a good start because entrepreneurship development is an absolute necessity in South Africa at the moment, when one looks at the high rate of unemployment. Private-Public Partnership (PPP) can be seen as the key to addressing this problem. Through the department of Trade and Industry (DTI) the government has made a commitment to address entrepreneurship development. The private sector is also expected to play its role.

Another important aspect catered for under the category "Other" is *information access through technology*. One would say the amount spent on this, however small, is a step towards the right direction. We are now living in an *information age*. For anyone to make meaningful contribution to the development of the country, s/he needs to have access to information. Technology has a vital role to play in this regard. With regard to the aspect of access through technology, only a negligible number (less than 9%) of the organisations viewed this as an important area which needs attention. One can say that this is not a very encouraging sign because it is through knowledge that people are empowered. One does not want to imply that communities can only be empowered through

information technology, but it must be acknowledged that information technology does have a vital role to play in empowering people.

Reconstruction and Development Programme (RDP) was one of the areas which CSI practitioners had to indicate if they choose as the area where they spend more money. RDP is part of the government agenda to address inequities of the past. Many organisations have also made a commitment to contribute to RDP. What is, however, noticeable is that different organisations seem to have different approaches to RDP. Some have a dedicated fund and unit to RDP and others integrate it within their systems. Against this background one should acknowledge that even organisations which may have not selected RDP as a priority, may still be highly involved in RDP in their day to day running of their business. Viewed against this background, 8% may not be statistically significant, but it is still a significant contribution towards reconstruction and development programmes. There is no doubt that CSI practitioners can make an important contribution to the Reconstruction and Development Programme of the country.

CSI practitioners were also asked to indicate communities they fund. The results show some encouraging signs because they point to a strong focus on rural development. This is not only important because the majority of the work force in urban areas has its origins in rural areas, but

also because it will help keep people in their roots, thereby preserving the unity of the family which is at the centre of a healthy society. One does not in anyway, want to suggest that urban communities should not be assisted, but what is being suggested is that there is a need to address imbalances of the past. That is also in the spirit of the World Summit for Sustainable Development (WSSD, 2002).

It was discussed earlier that corporate social investment programmes seem to focus more on education and skills development programmes. This is no doubt a very good strategy because any country is as good as its people. It is therefore important to invest in the development of the intellectual property of the people. However, there is a need to find a strategy to keep such people in these communities. Infrastructure development is one such strategy. This point will be developed under the recommendations section.

5.5.2 Findings With Regard To Aim Number One

Aim number one in this study was to determine whether communication between funding business organisations and communities facilitates the realisation of mutually beneficial goals. When one takes a closer look at the three descriptive categories that were created in section 5.3.1, it is noted that no respondent fell in the category non-facilitative communication (NFC). This is an indication that within this sample there

was a general realisation that communication can make a contribution to the realisation of mutually beneficial goals. While that is the case, it is also noted that 61% of the respondents thought *communication is facilitative* and 39% think it is highly facilitative. What is not clear is whether 61% of the respondents do not have the highest level of conviction on the role of communication or not. This is a subject for further investigation.

The findings are inline with the responses of recipients of funding who also expressed the same sentiments that through communication with funders in the business sector, they feel that they benefit a lot from such interaction. When probed on how exactly they benefit, their response was that through interaction with the funders, they know exactly what is expected from them and they know the kind of projects that are likely to be funded.

The findings in both qualitative data and quantitative data clearly show that communication has an important role to play in managing corporate social investment programmes. This line of thinking is also confirmed in research conducted by Rockey (2002:119) who compared the importance of CSI communication in the years 1999 and 2002. Their results showed that there was a marked improvement in the importance attached to communication. In 2002, 57% viewed communication as extremely or very

important as against 41% in 1999. In 32% viewed it as of average importance while only 11% viewed it as not important at all.

5.5.3 Findings With Regard To Aim Number Two

Aim number two was to determine whether communication between funding business organisations and communities is regular. It was observed that most responses (83%) were within those of respondents who viewed communication as regular. This can be viewed as an encouraging sign because for any venture to succeed, there is a need for regular interaction between the parties involved. While the corporate sector viewed communication as regular, it is noteworthy that interviews with members of the community indicated that this was not so. For instance, one member of the community said, "There are many instances when we want to talk to our sponsors but are afraid to disturb because these big guys are always very busy. When you finally have the courage to phone, you find that they are in the meeting". The suggestion that some members of the community need to have courage to phone their sponsors points to "status distance" between members of the corporate sector and those of the community. Where there is such distance, communication is adversely affected. It is however important to note that members of the community viewed members of the corporate sector, more especially those they deal with, as good people who are always willing to listen and

help. One can only ascribe the fear and distance to the social status between the two parties involved.

It is also worth noting that members of the corporate sector were viewed as trustworthy when it comes to communication. For instance one respondent who was interviewed said that they always honour meeting dates and they are always on time. Although this was not explicitly stated by interviewees, this was seen as a high level of sophistication on the part of members of the corporate sector.

5.5.4 Findings With Regard To Hypothesis Number Three

Aim number three was to determine whether communication between funding business organisations and communities is empowering to communities. As discussed in chapter three, empowerment through communication was viewed in the context of empowerment through information. The results, which were obtained through quantitative methods, were confirmed through qualitative means. Members of the community were asked if they felt that communication between funding business organisations and their communities has empowered them. They agreed that it has. They were asked how exactly they feel they have been empowered in their interaction with the business sector. They indicated that they are now more informed about available opportunities for assistance and that their communities stand a better chance of becoming

better. It is also noteworthy that they were under no illusion that this process of community empowerment needs careful monitoring and communication between the stakeholders. In the research conducted by Rockey (2002:120), it was observed that companies indicated that 80% of their communication is targeting employees, 78% is targeting local communities in which they operate and 68% targets communities in general. This led Rockey to conclude that "the responses indicated that *CSI practitioners attach top priority to communicating their programmes internally (employees, management and the CEO) and in the communities (particularly those in which they operate, but also more generally).* This suggests that corporates regard internal – and community buy-in as critical to the success of projects". It is against this background that *CSI practitioners viewed communication as empowering to communities.*

5.5.5 Findings With Regard To Hypothesis Number Four

The aim number four was to determine whether corporate social investment managers find a difference in communication efficiency between corporate social investment programmes in education and training on the one hand and other forms of CSI on the other hand. As discussed in section 5.3.4 the purpose of this objective was to determine whether there is any perceived difference in communication efficiency between programmes in education and skills development on the one hand and other programmes on the other hand

Detailed analysis of each question that covered this objective suggests there is no difference between programmes with regard to communication efficiency. This may be seen as an unexpected outcome because communication is at the core of business of education. One would imagine that people in this sector would do particularly well in communication. An observation was also made that participants in the training programmes did not display any particular skills in communication. This suggests that communication does not necessarily depend on the type of programme but on the exposure and the opportunities for communication one gets.

5.6 CONCLUSION

This chapter was an attempt to present and discuss the findings of the study. In order to achieve this, the discussion was structured into two parts, descriptive statistics and inferential statistics. The discussion of descriptive statistics tried to establish three main aspects (a) Which programmes are funded in corporate social investment, (b) In which programmes do organisations spend more money, and (c) Which communities do they fund. The study revealed that education and skills development scored high percentages in both question (a) and question (b). On question (c) the study reveals that organisations mostly funded rural communities. In inferential statistics, five hypotheses were tested using the chi-square one sample test and the oneway analysis of variance

(ANOVA). In all instances the chi-square test was run, the null hypotheses were rejected. The same applies in the case of testing for analysis of variance, the null hypothesis were rejected

CHAPTER 6

SUMMARY, LIMITATIONS OF STUDY, RECOMMENDATIONS AND AVENUES FOR FUTURE RESEARCH

6.1 SUMMARY

6.1.1 The Problem

This study set out to investigate the extent to which communication is used as a tool to manage corporate social investment programmes. In order to facilitate the investigation, the research questions were formulated and stated as follows:

- (a) Does communication between funding business organisations and communities facilitate the realisation of mutually beneficial goals?
- (b) Is communication between funding business organisations and communities regular?
- (c) Is communication between business organisations and communities empowering to communities?
- (d) Is there a difference in communication efficiency between corporate social investment programmes in education and training on the one hand and other forms of CSI programmes on the other hand?

6.1.2 Hypotheses

- (a) Communication between business organisations and communities does not facilitate the realisation of mutually beneficial goals
- (b) Communication between funding business organisations and communities is not regular.
- (c) Communication between funding business organisations and communities does not empower these communities.
- (d) Corporate social Investment (SCI) managers find no difference in communication efficiency between CSI programmes in education and training on the one hand and other forms of CSI programmes on the other hand.

6.2 METHODOLOGY

This study was a combination of both qualitative methodology and quantitative methodology with a strong bias towards the latter. Two instruments were used in this study for data collection purposes i.e. closed-ended questionnaire and an interview schedule. The closed-ended questionnaire was used to collect data from corporate social investment practitioners who formed the core of the study. The interview schedule was used to interview recipients of CSI funding.

The first instrument had two sections. The first section focussed on background to the organisation like the nature of business they do, programmes they fund, where they spend more money and the communities they fund. The second part of the questionnaire focussed on how communication, with regard to corporate social investment programmes, is handled by CSI practitioners. There was a limited number of possible respondents for the study and within this limited number the respondents were not very responsive. At the end a practical solution was to settle for 114 respondents which seemed to be a reasonable number. For the purposes of analysis, both descriptive statistics and inferential statistics were used. For inferential statistics the chi-square test (χ^2) and the Pearson correlation coefficient were used. These were thought to be the most appropriate statistical tests for purposes of this research.

6.3 CONCLUSIONS

After the data was captured and analysed, the study came to the conclusions as discussed below:

- (a) The study came to the conclusion that communication facilitates the realisation of mutually beneficial goals. Corporate social investment practitioners do make an effort to facilitate communication between their organisations and the communities in which they operate,

because they realise the importance of communication in managing corporate social investment programmes. This conclusion is in line with the view expressed by Novek (1999) as discussed in section 3.2. that properly structured programme would teach participants to share a common vision through communication. When members of a group share perceptions, they no longer act exclusively out of individual self-interest, but coordinate their actions for mutual benefit as Habermas (1984) puts it.

- (b) It was also concluded that to a reasonable degree, communication between funding business organisations and communities is regular. The reason why the researcher could not conclusively say that communication is regular, is because most responses fall within the middle point. This did not show absolute conviction on the part of the CSI practitioners that communication between their organisations and the communities they fund is regular. Literature was not clear on regular communication. However, Ansari and Phillips (2001) in section 3.6.1 argue that effective communication that is direct, accurate, timely and relevant is a major factor in multi-stakeholder and interprofessional collaborations. They emphasise that the message should be of high quality and frequent.
- (c) After the research was conducted, a conclusion was made that communication between funding business organisations and communities is empowering to communities. Communities were

empowered in the sense that they became more informed about available funding and funding procedures. As discussed in section 3.9, one of the most important contributions of communication to human development is that it empowers them through information and goal sharing.

- (d) It was also concluded that there was a difference in communication efficiency between education and training programmes, and other sectors.
- (e) The findings of the study also indicate that there is a difference between business sectors in the way they view the role of communication in managing corporate social investment programmes. An exception to this trend is that the study did not find any significant views on communication efficiency between education and other sectors
- (f) The study revealed that not much is invested on entrepreneurship development. This conclusion is inline with the summary on CSI trends in South Africa (section 2.5, table 2.2) which shows that of the ten companies that were sampled in the study by Nel and Nel (2002) and Sowetan Survey of August 2001, only four had clear plans for development of entrepreneurs.

6.4 LIMITATIONS OF THE STUDY

The study experienced a lot of challenges with regard to respondents. The researcher had hoped to have a sample of 200 respondents but due to the difficulties of finding respondents who were willing to participate, the researcher ended up with a sample of 114 respondents. Lack of cooperation from the respondents also made it difficult to select equal number of respondents according to sectors as it was originally planned. In spite of all the difficulties that were experienced, scientific research methods were adhered to, which gives the study a reasonable degree of credibility and generalisability.

6.5 RECOMMENDATIONS

Based on the findings of this study some recommendations were made as discussed below.

6.5.1 Recommendation one

The study established that a fair amount of money was spent on education and skills development. This was viewed as a positive move more especially for the development of the country. However, with all the money spent on education, South Africa is still experiencing a serious shortage of

skills in fields like science, engineering, technology and commerce. This raises serious questions of whether the money is spent wisely. It is against this background that the following recommendations are made in connection with education and skills development.

Review of educational programmes funded. There is a need for the corporate sector to review the programmes they fund and also to try to establish if they are in line with the government's skills development plan. The business sector needs to begin to take stock and check if the educational programmes they fund are of any real value to the company and are of real benefit to the community and the country as a whole.

Monitoring & evaluation, and mentorship programmes. The business sector spends a fair amount of money on bursary schemes. The success rate of such schemes is not very clear, but judging by the rate of failure at higher education institutions, there is a need for very serious monitoring and evaluation of the performance of students who receive funding from companies, as part of their corporate social investment programmes. Also related to monitoring and evaluation, is the establishment of strong mentorship programmes for students. As part of corporate social investment, business organisations can ask high profile business people to donate their time in mentoring students. This could make a significant contribution in throughput because students would get highly motivated

because they would be interacting with people who are well informed about the student's chosen field of study and career aspirations. Young people need role models and the business community can provide such models through mentorship programmes as part of their corporate social investment.

Impact Assessment. Any community intervention should be given enough time to be established in that particular community. However, at a certain point, there is a need to do impact assessment of that intervention. Education is no exception to this rule. There is a need to establish whether education and skills development is, or is not yielding the desired results.

6.5.2 Recommendation two

The study also established that the business community spends a fair amount of money on rural development and most of this money goes to education. As discussed in (a) above, this is an important contribution towards the development of the country. This is particularly good if rural communities get practical skills training which will contribute towards poverty alleviation. However, common sense has shown that in instances where people get qualifications through rural development schemes, they leave rural areas for better opportunities in urban areas. This deprives rural areas of valuable intellectual property. There is therefore a need for a

strategy to keep “good” people in rural areas. One such strategy could be infrastructure development in rural areas, so that people would not have to flock to urban areas where they get better services. The business community could rechannel part of their corporate social investment programmes funding towards this important area of need. Another strategy could be incentive schemes. For instance it could be decided that people would score better points for promotion purposes if they have served in a rural community for a stipulated period. Also related to that, could be that anyone who has received funding through rural development schemes, should sign a service contract to serve the rural community for a period equal to the financial assistance period. Implementation of such a strategy also calls for interaction between the public and the private sector.

6.5.3 Recommendation three

The problem of entrepreneurship development needs serious attention, more especially if it is seen against the background of a high rate of unemployment that South Africa is experiencing at the moment. Through their corporate social investment programmes, business organisations can make a significant contribution towards entrepreneurship development which could go a long way towards curbing

6.6 OPPORTUNITIES FOR FUTURE RESEARCH

The field of corporate social investment is set to experience growth in the next few years if recommendations of the King Report II, as discussed in chapter two, are anything to go by. During times of change, communication has a crucial role to play. It is against this background that *the following research opportunities have been identified.*

- (a) There is a need for research on the nature of communication between CSI practitioners and business units managers. This area is of particular importance because there is a need to strike a balance *between corporate social investment and healthy profit margins.*
- (b) There is a need for research with regard to corporate social investment and communication in private-public partnerships. This research is important because business takes place within a political environment. There is therefore a need for communication between the two role players *in order to align corporate social investment activities with the general plans of the country.*

6.7 CONCLUSION

The study was an attempt to establish how communication is used as a tool to manage corporate social investment programmes. To this end the first sample was drawn from corporate social investment (CSI) practitioners. The second sample was drawn from communities who receive funding from companies. While the study remained largely quantitative, and some limited elements of qualitative research. CSI practitioners respondents responded to a closed-ended questionnaire and recipients of CSI funding responded to an interview schedule. Quantitative data was analysed using the Chi-square test and the oneway analysis of variance (ANOVA). The study came to the conclusion that communication is used as a management tool for corporate social by companies investment effectively.

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ANNEXURE A
QUESTIONNAIRE

SECTION A

Please make a cross (X) in the appropriate space or box provided

1. What is your major business?

Banking	1	Wholesale & Retail	10	Manufacturing & Engineering	19
Finance & Accounting	2	Construction Industry	11	Police	20
Mining	3	Diplomacy, Intelligence & Defense	12	Service Sector	21
Forestry	4	Education, Training & Development	13	Transport Sector	22
Chemical	5	Energy Sector	14	Other (Specify)	23
Health & Welfare	6	Food & Beverage	15		
Information Systems	7	Insurance Sector	16		
Agriculture	8	Local Government, Water & Related Services	17		
Tourism & Hospitality	9	Media, Advertising, Publishing, Printing, Packaging	18		

2. Which programmes do you fund (Mark all that apply)?

Education & Skills Development	1
Sports	2
Health And Safety Programmes	3
Reconstruction and Development (RDP)	4
Other (Specify)	5

3. In which programme do you spend more money?

Education & Skills Development	1
Sports	2
Health And Safety Programmes	3
Reconstruction and Development (RDP)	4
Other (Specify)	5

4. Which communities do you mainly assist?

Rural	1
Peri-urban	2
Urban	3

SECTION B.

Please indicate the degree to which you agree or disagree with the statement below. Mark with a cross (X) on the appropriate box. PLEASE MAKE SURE THAT YOU ANSWER ALL QUESTIONS.

SA = Strongly Agree

A = Agree

DA = Disagree

SD = Strongly Disagree

1. We discuss funding objectives with the community before we give funding	SA	A	DA	SD
2. We work towards common understanding between our organisation and the community on funding goals	SA	A	DA	SD
3. The programmes we fund are initiated by the community	SA	A	DA	SD
4. We engage community members in making decisions on which programmes should be funded	SA	A	DA	SD
5. There are set dates for project review meetings between my organisation and the community	SA	A	DA	SD
6. Only projects from the community which benefit our organisation are considered for funding	SA	A	DA	SD
7. We do not discuss funding objectives with the community before we give funding	SA	A	DA	SD
8. We meet with the community we fund as and when there is a need	SA	A	DA	SD
9. During the duration of the programme, report back meetings are initiated by my organisation	SA	A	DA	SD
10. There is constant discussion between my organisation and the community before funding is granted	SA	A	DA	SD
11. The members of the community that we fund sometimes do not attend scheduled meetings	SA	A	DA	SD

12. We fund programmes which are initiated within my organisation	SA	A	DA	SD
13. It is always easy to set up unscheduled meetings with the community members we work with	SA	A	DA	SD
14. Quite often scheduled meetings are postponed for a different date	SA		DA	SD
15. We provide communities with written information on our funding policy	SA	A	DA	SD
16. We fund programmes which benefit both the community and my organisation	SA	A	DA	SD
17. Observing communication protocol/ structures hinders regular interaction	SA	A	DA	SD
18. When we communicate funding procedures, recipients in other sectors understand it quicker compared to education and training sector	SA	A	DA	SD
19. If we turn down a funding proposal we discuss with the initiator of the proposal why it was turned down	SA	A	DA	SD
20. Recipients in education and training sector take longer to understand funding procedures	SA	A	DA	SD
21. Communities that we fund in education and training sector are better communicators than other sectors	SA	A	DA	SD
22. We work in collaboration with community in formulation of corporate social investment policy	SA	A	DA	SD
23. Our interaction with the community has made them understand our funding requirements better	SA	A	DA	SD
24. We get better feedback from other sectors that we fund compared to education and training sector	SA	A	DA	SD
25. We organise information sessions for communities to inform them about available funding	SA	A	DA	SD
26. Communication between ourselves and community is not frequent enough	SA	A	DA	SD
27. We use whatever means at our disposal to disseminate	SA	A	DA	SD

[illegible]

ANNEXURE B
INTERVIEW QUESTIONS

INTERVIEW QUESTIONS

1. What kind of project do you have?

2. How long has it been running?

3. Would you say communication between the funding business organisation and your community has facilitated the realisation of mutually beneficial goals?

4. Would you say communication between funding business organisations and your community is regular?

5. Would you say communication between funding business organisations and your community has empowered your community.

ANNEXURE C
COVERING LETTER

University of Zululand
Department of Educational
Planning & Administration

N.J Sibeko
Lecturer



P/Bag X1001
KwaDlangezwa
3886
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South Africa

Dear Sir/Madam

I am a Doctoral Student and the University of Zululand doing research on Communication and Corporate Social Investment. I request you to complete the questionnaire below. *It should take not more than fifteen minutes of your time. There are instructions on how to rate the responses. Kindly pay attention to the following*

- ☐ Rate every item statement
- ☐ Complete section A (Background Information) as well.

Your information will be treated confidentially and it will not be used for any other purpose.

Thanking you in anticipation for your cooperation.

Yours sincerely

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