

# THE EFFECTIVENESS OF CORPORATE SOCIAL INVESTMENT IN ADDRESSING SOCIAL CHALLENGES IN THE NELSON MANDELA BAY METROPOLITAN AREA

BY

#### LEHLOHONOLO EDWARD MOKOENA

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**Supervisor: Dr Bryan Robinson** 

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#### **DECLARATION**

NAME:	LEHLOHONOLO EDWARD MOKOENA	
NAWE:		ı

**STUDENT NUMBER: 213413477** 

**QUALIFICATION:** MASTER OF BUSINESS ADMINISTRATION

TITLE OF PROJECT: THE EFFECTIVENESS OF CORPORATE SOCIAL

INVESTMENT IN ADDRESSING SOCIAL CHALLENGES IN THE NELSON MANDELA BAY METROPOLITAN AREA

In accordance with Rule G4.6.3, I hereby declare that the above-mentioned thesis is my own work and that it has not previously been submitted for assessment to another University or for another qualification.

SIGNATURE

15.11.2017

DATE

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#### **ABSTRACT**

This study investigated the effectiveness of corporate social investment in addressing social challenges in the Nelson Mandela Bay Metropolitan Area. The study findings indicate that Volkswagen Group South Africa (VWSA) conducts corporate social investment programmes in the Uitenhage and Kwanobuhle communities. The study discovered that VWSA CSI programmes contribute to education, youth development, and enterprise development. Participants in this study gave responses that indicated their perceptions on the existence of these social programmes. The community also indicated its involvement and benefit in the VWSA CSI programmes.

#### Keywords:

Corporate social investment, community engagement, corporate social responsibility, stakeholder theory.

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#### **CHAPTER 1**

#### INTRODUCTION AND BACKGROUND

#### 1.1 TOPIC

The Effectiveness of Corporate Social Investment in Addressing the Social Challenges in the Nelson Mandela Bay Metropolitan Area.

#### 1.2 BACKGROUND

The Nelson Mandela Metropolitan Municipality (NMMM) came into being in 2001. It is the administration structure that covers the city of Port Elizabeth and the adjacent towns of Despatch and Uitenhage. The area also covers Colchester; Cannonvale; Despatch; Motherwell; Young Park; Seaview; Beachview; Blue Horizon Bay; Woodridge; Bethelsdorp; Kwadwesi; Khaya Mnandi; Kwanobuhle; Uitenhage; and Kabah (ECSECC, 2014:5).

The NMMM has a population of approximately 1.2 million (Stats SA, 2016). The municipality boasts production activity in the motor vehicle and components industry such as the Volkswagen Group South Africa (VWSA), based in the town of Uitenhage, and General Motors (GM), with its production plants in Sidwell; Struandale; and Neave, in Port Elizabeth (Business Guide, 2013:20).

The Ford Motor Company of Southern Africa (Ford) is also based in Struandale, Port Elizabeth. Goodyear, Continental Tyre, and Bridgestone represent the tyre and rubber products industry in this metropolitan area. Both these sectors are the pillars of NMMM's economy (Business Guide, 2013:20).



Source: Eastern Cape Socio Economic Consultative Council (2010)

Figure 1.1: Predominant areas falling under the NMMM

#### 1.3 PROBLEM STATEMENT

Companies continue to embrace corporate social investment (CSI) as a tool for being socially responsible citizens. This move may affect the financial returns which shareholders expect to realise as return on their investment. Yet there is a need for corporates to adapt to the ever evolving paradigm of recognising communities as stakeholders within corporate circles. This study seeks to investigate whether corporate social investment, effectively addresses the social challenges faced by communities in the NMMM area.

#### 1.4 AIM OF THE STUDY

The aim of the study is to investigate the effectiveness of corporate social investment in addressing the social challenges in the Nelson Mandela Bay Metropolitan area.

#### 1.5 RESEARCH OBJECTIVES

- To investigate the programmes undertaken by VWSA while addressing social challenges that are faced by communities in the NMMM area.
- To understand the involvement and benefits that accrue to the community in as far as identifying social challenges addressed by VWSA CSI programmes.
- To determine the effectiveness of the programmes that are employed by the VWSA as part of its corporate social investment,

#### 1.6 RESEARCH QUESTIONS

- What programmes are undertaken by the VWSA in the NMMM in order to address the social challenges in its community?
- How involved is the community and what benefits accrue to the community as a result of the VWSA CSI programmes while trying to address social challenges?
- Are corporate social investment programmes effective enough to bring on sustainable change to the social challenges that are faced by the NMMM communities?

#### 1.7 TARGET POPULATION

The target population is the VWSA staff members and also the VWSA CSI partner managers who are involved with CSI programmes along with community members in the NMMM area.

#### 1.8 RESEARCH METHODOLOGY

Research is often based on either a qualitative or a quantitative method. It is also common to find researchers using both methods in one study. It will be prudent henceforth to briefly look at the hallmarks of qualitative, quantitative, and mixed methods research.

#### 1.8.1 Qualitative Research

In qualitative research, the researcher adopts an approach through which he/she looks at and tries to understand the way in which persons or persons within groups/communities relate to a social or community problem (Creswell, 2014:32).

Likewise, Roller (2015) also submits that the qualitative approach focuses on several existences that have to do with social issues that are premised on individual meanings. Collins & Hussey (2010) further cement the use of this approach by submitting that qualitative research draws a general deduction from a small size sample and as such, a deduction is generalised from one sample to the other.

#### 1.8.2 Quantitative Research

Quantitative methods emanate from a positivist framework. Positivism gives emphasis to scientific methods during an observation in order to practically investigate hypotheses and forecasting to find out what leads to certain things ultimately happening (Kasim, Alexander & Hudson, 2010:48).

Delice (2010) also submits that quantitative research underlines the significance of generalisation and reliability. It looks at the relationship between several variables and the general phenomena that is being observed.

In addition to Delice's submission above, quantitative research methods are based on information gathering, which is subjected to a statistical analysis through which the results are then typically presented using statistics, tables and graphs (ACAPS, 2011:4).

#### 1.8.3 Mixed Methods Research

A mixed method research concentrates on gathering, evaluating, and mingling both quantitative and qualitative information in a single study or a sequence of studies.

The reason for this researcher to adopt this method is that the mixture of both the quantitative and the qualitative methods, helps in understanding study problems than it would have produced in a case where a researcher would have opted for either approach. The above explanation is as adopted from the submission by Creswell and Clark (2011) and it fits with the approach adopted in this study.

Therefore, the mixed methods research approach was adopted in this current study.

# 1.8.4 Sample design

The respondents in this study were from one of the manufacturing companies in the NMMM area namely, VWSA. The sample size consisted of VWSA CSI partners' personnel who were involved in corporate social investment programmes. This included two managers from Love Life Youth Centre and one manager from the Enterprise Development Centre (EDC). The sample also included five VWSA employees at management level, as well as five junior level employees.

A sample of ten residents were also selected from the town where the company conducts it's business and they were given questionnaires to complete in order to ascertain their awareness about the company's social programmes and many other issues that are related to VWSA CSI.

#### 1.8.5 Data collection

Data was collected using the following approaches:

#### 1.8.6 Documentation

Secondary data was collected by reading books and accessing the company specific CSI projects, which were already in the public domain.

#### 1.8.7 Researcher's visit to the company

The purpose of the visit to the company was three-fold. Firstly, it was done to distribute questionnaires to management and junior level employees. Secondly, to observe first hand whether there are open methods of communication between management and employees that highlight the company's involvement in corporate social investment. Thirdly, to collect questionnaires that were distributed to the employees.

#### 1.8.8 Interviews

The researcher conducted interviews with senior personnel who were involved with the company's CSI programmes. Interviews were also conducted with community members who were involved in the execution of the CSI programmes.

These interviews were recorded with the permission of the participants which were then subsequently transcribed. The transcribed records gave further insight into the social investment issues and challenges.

#### 1.8.9 Questionnaires

Questionnaires were distributed both within VWSA and in community structures who were involved with the CSI programmes as well as to ordinary community members. This researcher went to VWSA in order to distribute and collect the questionnaires.

The purpose of distributing questionnaires within the company was to identify the employees' level of awareness about their company's social investment programmes.

Likewise, the distribution of questionnaires in the community was to perceive their familiarity with the programmes that were undertaken by VWSA in dealing with social issues affecting them. These questionnaires were distributed by the researcher in both the Kwanobuhle and Uitenhage communities and they were collected after their completion by the respondents.

The questionnaires covered aspects relating to social and economic factors that are affecting the community where VWSA conducts its operations. Similar aspects were also presented in the questionnaire that was distributed within VWSA structures.

Moreover, these questionnaires were adapted to accommodate both the samples from VWSA and the community respectively.

#### 1.9 **DEFINITIONS**

#### 1.9.1 Corporate Social Investment

CSI signifies a firm's participation in the endeavours of the community within which it operates, which promotes society's wellbeing (Muzindutsi & Niyimbanira, 2015:176). CSI has to do with a firm's efforts in both improving and preserving the community's living conditions (Egun, 2015:19).

#### 1.9.2 Stakeholders

A company's stakeholders include the community, the company's workers, its funders, corporate partners, clients, and the government (Al-Salamin, 2015:34).

Stakeholders can also be workers, community leaders, and consumers (Dartey-Baah & Amponsah-Tawiah, 2011:133).

#### 1.10 OUTLINE OF THE STUDY

#### 1.10.1 Chapter 1

This study is made up of five chapters. The current chapter gives the introduction and background to the study. Moreover, it identifies the objectives, research questions and the method that was used in the study.

#### 1.10.2 Chapter 2

Chapter 2 covers the literature review that looks into concepts such as stakeholder theory, corporate social responsibility, corporate social investment, and corporate social investment in the South African context.

#### 1.10.3 Chapter 3

Chapter 3 looks into the research methodology that was employed in the study. It gives more detail regarding mixed methods research, the research design, data collection, and sampling.

#### 1.10.4 Chapter 4

This chapter contains the researcher's findings that emanate from the information that gathered throughout the study. This was done by analysing the responses from questionnaires and transcribing interview questions and responses.

#### 1.10.5 Chapter 5

Chapter 5 concludes the study by looking at various aspects covered in the preceding four chapters. It gives a consolidated conclusion of what the study was about in order for the reader to comprehend the purpose and objectives of the study. Chapter 5 also contains recommendations as well as future research opportunities.

The objectives of the research were fulfilled by conducting interviews with the VWSA CSI partners who were involved with the implementation of CSI programmes. The feedback of the questionnaires was then analysed. Chapter 5 also includes the contribution that this study has made.

#### 1.11 SUMMARY

This chapter introduced the title of the study as investigating the effectiveness of corporate social investment in addressing the social challenges in the Nelson Mandela Bay Metropolitan area. It also briefly presented the dynamics within the NMMM area with regard to corporates operating within the motor vehicle industry.

As indicated above, the problem statement of this study indicated the dilemma faced by corporations in satisfying the needs of their shareholders namely, the financial bottom line and also their stakeholders, namely communities and their social challenges.

The aim of the study sought to explore the level of effectiveness presented by VWSA CSI in the NMMM communities.

The research objectives covered the CSI programmes addressed by VWSA operating in the NMMM area; the involvement and benefits that accrue to communities within the area; and the effectiveness of the programmes. The research objectives informed the choice of the research questions.

The target population for the study was both corporate and general communities who were involved in the CSI programmes.

The sample size and the data collection instruments were adapted and limited to company personnel and structures that were involved in the CSI programmes as well as the community members in the town where the company conducted its business.

The basic definition prevalent in the study was also given as well as the general outline that the study follows. As indicated in the outline, the chapter on literature review follows immediately hereafter along with a detailed appraisal of all the concepts that were of interest in this study.

#### CHAPTER 2

#### LITERATURE REVIEW

#### 2.1 INTRODUCTION

Chapter 1 introduced a study investigating the effectiveness of Corporate Social Investment (CSI) in addressing the social challenges in the Nelson Mandela Bay Metropolitan area.

Chapter 1 also introduced the objectives of the study as follows:

- a. To evaluate the achievements of CSI programmes at Volkswagen Group South Africa (VWSA) in the community of the NMMM;
- b. To understand the involvement and benefits that accrue to the community in so far as identifying social challenges that were addressed by the VWSA CSI programmes.
- c. To measure the effectiveness of the CSI programmes.

Chapter 2 examines the literature review regarding CSI. It explores the theoretical foundation of CSI and its role in the broader context of Corporate Social Responsibility (CSR). It defines and explores the rationale behind the engagement of companies in CSI.

The latter parts of Chapter 2 focus on CSI in South Africa (SA) and the factors that influence its implementation in this country. These factors include: Corporate Governance; the Johannesburg Stock Exchange (JSE); the Broad Based Black Economic Empowerment Act (BBBEE); and the Companies Act of 2008. Thereafter, a brief summary of the chapter is given.

#### 2.2 BRIEF OVERVIEW OF CONCEPTS

The concepts of stakeholders; CSR, and CSI will be explained in this section.

Just as in society, businesses have many stakeholders to consider when they are determining who is affected by their operations. These are termed stakeholders. Low (2016) adopts the basis of the stakeholder theory by tasking businesses to look beyond shareholders.

Mainardes, Alves & Raposo (2011), suggest that companies must consider the impact of their operations on stakeholders such as the community.

This submission by Mainardes *et. al.* (2011), speaks to the second objective of this study, namely, to assess the community's role in prioritizing critical social issues and/or challenges. The advent of the stakeholder theory, carved the way for determining corporate conduct and its operational impact on stakeholders (Mainardes et. al., 2011: 232). This means that companies ought to look at communities as part of their stakeholder set and hence this is one of the objectives of this study.

Other authors also consider parties that are central to the organisation's existence as stakeholders, whether permanent or temporary (Eskerod, Hueman & Ringhofer, 2015:43). The implication drawn from Eskerod *et al.* is that there is no closed list of stakeholders. This non-limitation on stakeholders could be due to the company operations with potential effects beyond its immediate vicinity. For example, temporary operations could have permanent consequences on the environment.

The preceding paragraphs briefly introduced the concept of stakeholder theory. The following text looks at the concept of CSR.

According to Ungerer (2013), CSR is about the manner in which a firm takes responsibility towards the environment, its consumers, employees, stakeholders, and the community in general. It is interesting to note that UI-Huq extends CSR to include the environment.

The latter comment speaks to environmental factors that are mainly involved in the manufacturing industry. Hence, it was earlier submitted that a company cannot have a closed list of stakeholders due to the potential impact of its operations on the environment. This implies that stakeholders cannot only be the present generation of community members. Consideration must also be given to the needs of future generations.

In other words, production implications should be considered in the long term. Such implications must not only concern the present, but also the future. From CSR, the focus moves to CSI.

CSI is seen as a way through which a firm creates relations with its immediate community (Muzindutsi & Sekhampu, 2015:130). This is supported by a submission that CSI is part of CSR, which targets community development with the aim of enhancing and protecting the overall societal well-being of that community (Noyoo, 2016:73).

Muzindutsi & Sekhampu (2015) as well as Noyoo (2016) above, give relevance to this study's first objective of looking at how CSI programmes address community challenges.

Noyoo (2016) further consolidates his earlier position by submitting that the expression 'corporate social investment' is more favourable in South African society than 'corporate social responsibility'. A submission in support of the foregoing could be that CSI programmes in South Africa are more focused on providing tangible results that relate to people as will be seen later on in the study.

One can therefore add that the concepts that are embraced in this chapter, as drawn from the contributions of the cited authors, hold one consideration; which is that corporations have a responsibility to behave in a socio-ethical manner towards their stakeholders.

It is further submitted that CSI extends to the community and all other aspects related to their social challenges as envisaged by the objectives of this study.

The following text looks at the concepts that were touched upon in the preceding section of Chapter 2. Views of different authors are discussed. This discussion aligns these views with the objectives and some of the findings during the research process.

Stakeholder theory is discussed first. It is followed by a discussion on CSR and CSI respectively. Thirdly, the focus shifts to CSI in SA, and the chapter is then briefly summarised.

#### 2.3 STAKEHOLDER THEORY

The following literature review provides varying definitions of stakeholder theory and its related concepts. The relevance of these definitions shall be related to the objectives and the research questions of this study.

A number of authors express differing views regarding stakeholder theory. Some understand the theory as a move away from the exclusive interests of shareholders. Some authors implore management to make decisions that encompass all those with an interest in company activities. This Chapter looks at these divergent points of view.

According to Barter (2011), stakeholder theory requires companies to attend to the interests of all stakeholders and not only of shareholders. Alarcan-del-Amo, Segura, & Andreu (2015), echo the sentiment. They submit that stakeholder theory requires corporate conduct to take into account the returns to all its stakeholders and not only its shareholders.

In addition to the above definitions, Rajablu, Marthandau, & Yusoff (2015) hold the view that stakeholder theory advocates the maximising of the interests of stakeholders as opposed to the capitalising of the interests of shareholders. It is submitted that this view promotes the notion of an inclusive list of stakeholders that must be taken into consideration.

The theory further emphasises the need for business to consider not only who the stakeholders are, but also what interests they have as stakeholders.

Business must also identify such interests (Bourne, 2015:2). The theory also examines the relationship attributes between the stakeholders and an organisation. These attributes are urgency, power, and legitimacy (Tiller, Svalesteun, Ozturk & Tidemann, 2015:8).

The researcher in this study attempted to define the foregoing attributes as presented by Tiller, Svalestuen, Ozturk, & Tidemann (2015) as follows:

<u>Power</u>: This deals with a stakeholder's degree of influence on an organisation. An example in this study is the government's influence pertaining to profit margins that companies must contribute towards CSI.

<u>Legitimacy</u>: This refers to relationships amongst stakeholders. It is submitted that the second objective of this study finds relevance in this attribute. The objective is to find community involvement in identifying social challenges that need to be addressed by both the corporation and the community.

This attribute can be applied within this study, in the context that the community has a legitimate interest in the activities of VWSA which needs to be considered. For instance, VWSA sources its employees from NMMM communities.

Another example would concern VWSA's suppliers' involvement in VWSA's CSI projects in order to maintain the business relationship. Secondly, could this be an indication to other supply chain partners of their willingness to contribute to common social challenges. Most importantly, does the NMMM have a legitimate expectation from VWSA to invest in its community?

Better yet, with the recent scandal to hit the Volkswagen Group (VW) regarding claims of its vehicles' CO2 emissions, could customers demand VW to contribute towards the environment? This appears to be a good example of legitimacy as an attribute of stakeholder relationships.

<u>Urgency</u>: This attribute relates to the third research objective of the study. It is with urgency that communities expect corporates to deal with issues of unemployment. For example, VWSA operates in the town of Uitenhage, and that community expects VWSA to provide employment as a matter of urgency. This would provide the community with a source of income for many families.

The submissions of the authors cited above, seem to suggest that companies need to move away from prioritising the interests of shareholders above those of all other stakeholders. This conclusion is drawn from the authors' express mention of both shareholders and stakeholders, which clearly puts forward their intention to not use the two as synonyms.

This observation further relates to a specific part of this study's problem statement: Namely, corporates need to realise that making profit for shareholders is not the sole objective. It is also about companies being aware that communities now form part of a company's stakeholders.

In the same vein Maier (2015) asserts that stakeholder theory places company structures in line with their obligations towards societies and other entities affected by their operations and that in turn affects the financial returns.

An example in this study that is relevant to Maier's submission above can be found in VWSA's inclusion of the VWSA Community Trust (VWCT) in its structure. VWCT addresses issues related to CSR with regard to its employees, and CSI in relation to NMMM communities.

This is further addressed by showing how the Enterprise Development Centre (EDC) seeks to align VWSA's structures by creating a supply chain that relates to its products and services. It is through such efforts that the literature cited in the above paragraph finds expression.

The researcher further submits that by shifting the focus from shareholders to stakeholders, VWSA has invested in enterprise development, youth development and education in the NMMM. This it is submitted, indicates a move away from shareholders to encompass a broader concept of stakeholders.

As indicated earlier in the text, stakeholder theory also touches on management decision making. This decision making relates to stakeholders. Several authors express their views on management decision making concerns that were raised in stakeholder theory.

According to Raupp (2011), stakeholder theory has something in common with public relations - they both endeavour to consolidate relationships that promote management's decision making.

Fadun (2014) simplifies Raupp's (2011) position by stating that stakeholder theory encourages managers to take responsibility towards stakeholders in the processes following from corporate decision making.

This researcher understands the viewpoint of these authors as implying; management ought to take decisions that not only consider shareholders, but stakeholders too.

Furthermore, these authors' assertions fit in well with the first research objective of this study, which seeks to investigate the CSI programmes undertaken by VWSA. Put differently, the inclusion of VWCT in VWSA's structures speaks to management's decision making in consideration of its stakeholders.

This is also important because the literature merges well with answering one of the research questions, namely, to establish the involvement of communities regarding VWSA management decisions relating to the effectiveness of the CSI programmes in the community.

In line with Raupp (2011) and Fadun (2014), Rampling (2013), claims that the other aspect of stakeholder theory concerns management's alignment with the needs and expectations of powerful stakeholders. Earlier in the text, under one of the relationship attributes, an example is given of the government's ability, as a stakeholder, in deciding how companies should contribute to the welfare of their communities.

This means that VWSA has a legal obligation to ensure that a certain portion of its profits is channelled towards communities, as expected by the government, as one of its powerful stakeholders. This further explains 'power' as one of the relationship attributes that were discussed in stakeholder theory.

Communities also have an influence in demanding that companies contribute towards its members. This influence could be through protests that could be harmful to the company's reputation.

#### 2.3.1 Who are stakeholders?

This section on stakeholder theory identifies stakeholders and the concepts related to this theory. Figure 2.1 below, identifies parties considered as stakeholders in relation to the corporation according to Freeman.

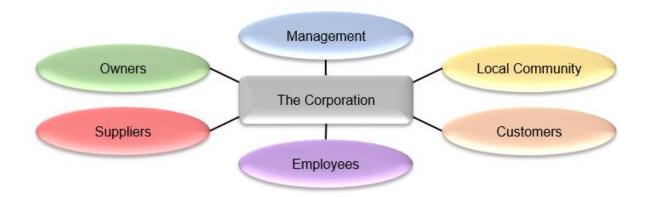


Figure 2.1: A stakeholder model of the corporation. (Freeman, R.E. 1984).

Figure 2.1 above, places the corporation at centre stage as the main role player. The Figure illustrates that there are entities with an interest in the company. Management's main interest is in running the affairs of the corporation and meeting its objective of profit maximasation as a return on investment for the owners and shareholders.

Employees also have an interest in the continued existence of the company. This will provide sustainable social security for themselves and their families. Suppliers also look forward to maintaining the relationship with the corporation for their own business sustainability.

Customers, on the other hand, expect value from the products that are sourced from the corporation. As a result, the latter needs to manage its relationships with suppliers in order to keep its customers satisfied.

Lastly, the local community also expects tangible investments from the corporation for example building of schools, provision of health facilities, etcetera. It is submitted that this is a legitimate expectation. It is legitimate because the corporation operates and derives profits from functioning within the community's space.

Figure 2.1 above depicts a simplified and pictorial summary of who can be viewed as stakeholders within a narrow sense. There are other views which express broader views on who can be views as stakeholders. The following submissions touch briefly on both the narrow and wide definitions of stakeholders.

There are two appreciations of stakeholders namely, the narrow definition which is that, stakeholders are central to the existence and wellbeing of the company. Secondly, a definition that refers to those stakeholders who affect or are affected by the firm.

The former definition includes for example; management, employees, owners, and customers. The latter includes the firm's suppliers and the local community (Freeman & Reed, 1983:42).

The following definitions can be classified as a wider appreciation of a stakeholder:

A stakeholder is an individual and/or entity possessing property and/or human rights that have the potential of being affected by firm activity or the outcome thereof (Rajablu et. al., 2015:112).

Secondly, and according to Fadun (2014), stakeholders are people, that is, individuals and/or groups which stand at an advantage or disadvantage due to a company's business operations. It is submitted that the two positions complement Figure 2.1 above.

The wide definition of a stakeholder is found in the following authors' submissions: Stakeholders include the community, the company's workers, its funders, corporate partners, clients, and the government (Al-Salamin, 201:34). Dartey-Baah & Amponsah-Tawiah (2011) add workers, community leaders, and consumers to the stakeholder list.

The wide definition goes further in adding certain attributes to the concept of a stakeholder. According to Aaltonen (2011), stakeholders can be differently categorised. Aaltonen's view is supported by Barter's Figure 2.2 below because it features internal and external stakeholder categories.

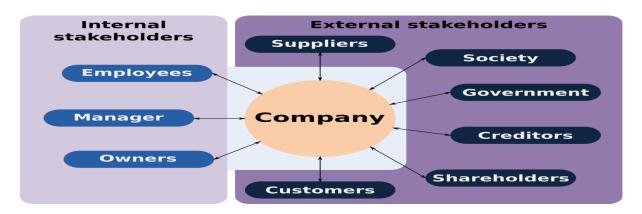


Figure 2.2: A typical modern stakeholder model (Barter, N. 2011).

According to Figure 2.2 above, internal stakeholders are recognised as a company's employees, managers, and owners. This internal categorisation explains Huy's submission (2013) that stakeholder theory speaks to management that considers interests of all stakeholders who have an interest in the company.

This researcher submits therefore, that in most instances decisions are made by internal stakeholders as role players who contribute to the very existence of the

company: Since there would be no company without the entrepreneurs or owners who initiated its inception and there would be no managers without employees to manage.

Therefore, this categorisation plays an important part in realising the importance of stakeholder relationship attributes that were explained earlier in this text that is power, urgency, and legitimacy.

With respect to external stakeholders, Aaltonen (2011) makes a submission.

That categorising stakeholders into internal and external helps in understanding their behaviour. Once again, the attributes of power, legitimacy, and urgency assist in understanding each external stakeholder's role.

For example, the government exerts pressure on a company to adhere to its Broad Based Black Economic Empowerment Act employment objectives, thereby ensuring that previously disadvantaged people are placed in management positions. This was an approach that was not considered before 1994, due to the previous government's policies that limited opportunities to certain population groups in South Africa. It is submitted that the inclusion that had been alluded to in the preceding paragraph, has some sort of relevance to this study.

For example, in South Africa, black managers would be able to provide meaningful inputs regarding the sort of CSI programmes that should be employed within black communities, given their experiences and challenges of having grown up in such environments. Once again, these are people who grew up in similar circumstances and understand the challenges and needs of their communities.

Secondly, communities/societies, as external stakeholders, have the ability to protest against a company that does not meet their expectations. This could spell negative publicity for the entity concerned since its reputation will not only be tainted, but also its products and/or services. It is submitted that this reputational damage also has the potential of hurting the corporate coffers when they are trying to restore and control the reputational damage. A typical example is the VW CO2 emissions scandal.

It is therefore imperative to classify these stakeholders as internal or external in order to appreciate the relationship attributes that they possess in relation to the company and to further acknowledge that these relationships are equally important in their own right.

Harrison & Wicks (2013) conclude this section of stakeholder theory. They submit that stakeholder theory has accumulated fundamental arguments that find prominence in the literature. Amongst these arguments are the notions that corporations do not function in isolation because there are stakeholders who should be recognised and acknowledged.

#### 2.4 CORPORATE SOCIAL RESPONSIBILITY

# 2.4.1 What is corporate social responsibility?

The diagram below is Carroll's (1991) CSR Pyramid. It indicates the four levels of responsibility that is expected from companies in terms of CSR. These are explained in the text below.



Figure 2.3: Adapted from Carroll's Pyramid of CSR (Carroll, A.B. 1991)

At the bottom of the pyramid is the economic responsibility that a company has to make a profit. In other words this is the company's responsibility towards its owners and shareholders. This is what is required from the corporation.

The second tier above economic responsibility reflects the legal responsibilities of the corporation. This speaks to the legal obligation of companies to operate within the ambit of the law.

The third level of the pyramid places a duty on the corporation to be ethical. To conduct its business according to what the local and global stakeholders expect from the company. The ultimate expectation is for the company to conduct its affairs in an ethical manner.

The top part of the pyramid speaks to the corporation's philanthropic responsibility. This is where a company is expected to be a good corporate citizen. This obligation is more of what is desired by global stakeholders.

This is also where CSI initiatives fit in and where companies invest into their communities as responsible corporate citizens. The text that follows, elaborates further on these responsibilities.

# 2.4.1.1 Economic responsibility

This first level of the pyramid recognises the need for a company to maximise its profits for the shareholders (Fadun, 2014: 18). Bowie (2012) supports Fadun's view that economic responsibility forms the foundation of corporate social responsibility.

In addition to the above submissions, their link is found in the following authors' views. Business entities are formed to generate profit. According to Carroll's pyramid, this is a company's economic responsibility. This responsibility stems from the returns that are expected from the company's investments (Atan & Saunah, 2015: 4).

Moreover, and according to Lentner, Szegedi, & Tatay (2015), economic responsibility has long been a motive for establishing businesses. Therefore, there ought to be an increase in stockholders' share prices and profits. Findings in this study have expressed how, in addition to VWSA's aim of making profit, it also included VWCT in its structures, secondary to its chief aim of making profits.

#### 2.4.1.2 Legal responsibility

By virtue of operating within legal jurisdictions, companies are expected to conduct their affairs according to the relevant laws and regulations (Atan & Saunah, 2015: 4). The compliance with environmental laws is one legal responsibility according to Carroll's model (Zabin, 2013: 75).

An example in this study is an obligation by corporations to apportion a percentage of their profits to CSI programmes. It is submitted that this obligation is not voluntary, but is instead a legal requirement that finds application in the pyramid and more particularly, in South Africa.

This obligation appears to be global. According to Ismail, Alias & Rasdi (2015), most countries' domestic laws encompass human rights as part of CSR issues which corporates must address when it comes to social and ecological aspects of business activity.

Another aspect of legal responsibility is described by Ejlersen (2012) - The author states that a company's legal responsibility seeks to highlight consistent legal conduct by the company itself, as it is expected by the government and society. This could include, but is not limited to, products and/or services that meet or exceed the set of legal requirements (Ejlersen, 2012: 16).

Once again, the recent VW C02 emission scandal attests to the above submission. Global legal requirements regarding the VW's CO2 emissions and the universal societal reactions can be seen in light of this requirement.

#### 2.4.1.3 Ethical responsibility

Ethical responsibility prescribes the firm's standard of behaviour in terms of embedded societal norms and values.

This responsibility carries with it a constant reminder to corporations to distance themselves from dubious business conduct (Dartey-Baah & Amponsah-Tawiah, 2011: 127). It is submitted that dubious conduct could be false claims about a company's products.

For example, in South Africa, the meat industry was recently affected by claims of misleading information on meat packs. This had a negative impact on meat sales due to consumer mistrust as to what exactly they were consuming.

Furthermore, this responsibility enjoins companies to conduct their business in the correct manner. This conduct is constantly expected from companies regardless of whether they are required by legislation or not (Filizoz & Fisne, 2011: 1409).

For example, there does not need to be a law prohibiting VWSA to dump its production waste on the community's door step. This kind of behaviour is not expected regardless of whether it is legislatively prohibited. It is just part of the ethical responsibility that is expected from any business operation.

# 2.4.1.4 Philanthropic responsibility

It is submitted that this responsibility relates to corporate citizenship. According to The Economist (2008:6), corporate citizenship stretches beyond philanthropy and compliance. Corporate citizenship is a yardstick for business entities to manage the community and environmental impacts and also their financial contribution.

The submission continues by expressly adding that corporate citizens are answerable to both shareholders and stakeholders. These include employees, consumers, suppliers, local communities and the society at large.

It can therefore, be drawn from the above definition of corporate citizenship that philanthropy speaks to the yearning to provide assistance to other citizens through acts of goodwill. This can be done by individuals, charity organisations and/or business entities (Filizoz & Fisne, 2011:1409).

This section is modestly concluded by Wagner-Tsukamoto (2015). The author states that philanthropic responsibilities determine a company's stance as a corporate citizen. Like ethical responsibilities, philanthropic deeds usually do not have to conform to a set legislative framework (Wagner-Tsukamoto, 2015: 4).

It is submitted that VWCT's investment in education, youth development, and enterprise development, as it shall be seen in Chapter 4 of this study, is in fulfilment of VWSA's philanthropic responsibility. It is further submitted that there is no need for

the South African government to legislate for compulsory corporate contributions to education.

Having looked at the submissions of the authors in relation to CSR and Carroll's pyramid above, what follows are further submissions regarding the general views on CSR.

According to UI-Huq (2015), corporate social responsibility is the manner in which a firm takes responsibility towards the environment, its consumers, employees, stakeholders, and the community in general. Egun (2015) adds to this general definition, by defining CSR as voluntary corporate conduct that contributes to a community's needs and the environment.

During the course of this study, it was established how VWCT partnered with Love Life. This partnership holds true to Egun's submission above because it addresses community needs. For example, VWSA's partnership with Love Life signifies a philanthropic approach towards the community of Uitenhage/Kwanobuhle.

Other general definitions of CSR are provided by Piirto (2015) and Popa & Salanta (2014). They define CSR as the duty of business establishments compensate for the effects of their operations on society. CSR is the approach by corporations in managing and executing thier businesses with the aim of satisfying the societies within which they operate.

From the foregoing definition of CSR by Piirto (2015) and Popa & Salanta (2014), it is interesting to note their common target of CSR - these authors link CSR with a corporate's obligation towards the societies within which it operates.

The above definitions provide a general picture of what CSR encompasses. The following definitions below delve deeper into CSR. They focus on morality and ethics regarding corporates and CSR activities.

According to Font *et al.* (2016), CSR is corporate conduct directed towards moral and social change, which is also keeping in line with the ecological and external demands made of the corporations. This view is supported by Al-Salamin (2015) who asserts

that CSR is corporate conduct that is transparent, legally compliant, has regard to ethics, the environment, and respect for society.

Fadun (2014) consolidates the moral and ethical definitions stated above. The author believes that CSR embraces morality and conscience when it comes to corporate conduct and decision-making.

He further believes that it is a concept that places an obligation on the firm to contribute to the society wherein it operates. The latter view is also supported by Piirto (2015) and Popa & Salanta (2014).

The moral and ethical definition by Fadun (2014) has relevance to this study. VWSA has a CSI program that endeavours to elevate the literacy status of adults within the Uitenhage community. It is submitted that given the low literacy rates in SA, VWSA has embraced its moral obligation by contributing to government efforts to improve literacy levels in the country.

There are authors who support Fadun (2014) on the issue of corporate decision-making as part of CSR. One of these authors is Tang-Lee (2016), who is of the opinion that CSR comprises community engagement in decision-making that addresses the sharing of benefits and sustainable livelihoods. It is interesting to note that the argument has moved from a general definition of CSR to a more inclusive expectation of what CSR should encompass.

The inquiry into CSR does not end with the submissions forwarded in the earlier paragraphs. Some authors are of the view that CSR should address the employees' needs. Ryder (2015) deems CSR to be an acknowledgement by companies to provide employment in safe environments, extending to decent wages and acknowledging workers' labour rights.

Extending this, Bowie (2012) also aligns CSR with profit making, superior products, decent pay, acceptable working conditions, supplier management, and investment in the local community as facets of CSR.

Bowie's view regarding supplier management, finds application in this study. VWCT, through the EDC, aims to develop small businesses into meaningful role players in

VWSA's supply chain. This is evidenced by the company's efforts to develop small engineering firms as suppliers in VWSA's supply chain.

# 2.4.2 Why do companies engage in CSR?

One advantage of a firm embracing in CSR is that it strengthens its brand loyalty. And once a society recognises such a brand, value is added. Ultimately, there is an increase in sales and productivity (Gallardo-Visquez, 2015:9).

Low (2015) puts forward a similar sentiment by submitting that business entities that are seen as being socially responsible stand to gain from this perception by strengthening their brand identity and improving their performance.

Both these authors recognise the same benefit for companies that engage in CSR. This advantage seems to be an increase in a company's financial performance.

Abdulrazak & Ahmad (2014) seem to be in agreement with Gallardo-Visquesz (2015) and Low (2015). The authors state that companies derive certain benefits from engaging in CSR and these include a reduction in production overheads, improved brand image, customer loyalty and so on.

They further submit that CSR is also a channel for a company to make profit, while addressing environmental and societal concerns at the same time. In this study, it was established that VWSA cuts costs by including small businesses in their supply chain instead of opting to use established and well known suppliers in the automotive industry.

Another benefit of CSR, apart from the improved financial performance outlined in the immediate four paragraphs above, concerns the company's relationship to its own employees. External CSR cultivates the workers' identity with their organisation and promotes a feeling of belonging to such an organisation (De Roeck & Maon, 2016:3).

A typical example in this regard, would be the outdoor advertising boards around Port Elizabeth (De Roeck & Maon, 2016:3). These boards showcase VWSA's CSI initiatives by providing bicycles to school pupils. The idea is to assist pupils from destitute communities by providing alternative means of commuting to school.

Secondly, companies that focus on workforce interests in their CSR efforts have the potential of appealing to skilled workers. The latter could lead to lowered worker turnover (Kunnaala & Hyrkki, 2015: 30). The foregoing views, align with this study's research problem. That is, that companies ought to realise that profit making can no longer be the sole purpose for their existence.

The arguments that were advanced above as reasons why companies engage in CSR does not represent an exhaustive list, but were delineated because of their relevance to the objectives and the problem statement in this study.

This section is concluded with the following submissions: Corporate social responsibility is increasingly becoming integrated into corporate policy, with firms increasingly investing in social responsibility (Nalband & Al Kelebi, 2014:236). It could be argued, in support of Nalband & Al Kelebi's submission that VWCT emerged as a policy consideration by VWSA management.

This also gives credibility to earlier submissions in this text that the interests of all stakeholders, including those of the community, must be considered in management decision making, including policy.

Furthermore, and according to Khazaei, Elliot, & Joppe (2015), CSR has been integrated into corporates' competitive strategies. It is submitted in this regard that this could be an aspect of VWSA's competitive strategy.

Having looked at CSR together with Carroll's pyramid of CSR responsibilities, and the reasons why companies engage in CSR practices, attention will now shift to CSI. The following literature review focuses on CSI, its purpose, and common CSI projects in SA.

# 2.5 UNDERSTANDING CORPORATE SOCIAL INVESTMENT

According to Muzindutsi & Niyimbanira (2015), CSI signifies a firm's participation in the endeavours of the community within which it operates which then promotes society's wellbeing. CSI has to do with a firm's efforts in improving and preserving the community's living conditions (Egun, 2015:19).

There is a synergy in what these authors submit as far as CSI is concerned. They all agree that CSI has to do with a company's activity in community emancipation.

Coming to this study, it has been established that VWSA is involved in CSI programmes. This section of understanding CSI will help answer the third research question of this study namely, are VWSA's CSI programmes effective in bringing sustainable change to the social challenges faced by the NMMM communities.

The text continues to look at other views expressed by commentators on CSI. Some authors see CSI as support given by a company to community based organisations in different forms, varying from giving money, to the provision of services (Chattu, 2015:222).

This is observed in VWSA's partnership with Love Life. VWSA invested money in Love Life for various projects. This will be discussed in more detail in Chapter 4 of this study.

Noyoo (2016) adds to this discourse by submitting that CSI is a concept that involves an enterprise's valuable contribution to poverty reduction. It is also a concept that can promote and strengthen a company's brand (Noyoo, 2016:71).

Earlier in the text, it was argued that when companies engage in CSR, they potentially have the advantage of improving their financial performance.

In the same vein, it seems logical to conclude that the same potential result would follow from engaging in CSI programmes. Such programmes are much more focused on communities as it will be seen later in the study, regarding youth development, education and enterprise development.

Additional views contend that CSI is a contribution by a company to the society without any expectation, by the company, of any direct economic gain (KPMG International, 2014:4). Through its youth development VWSA does not expect the beneficiaries from its partnership with Love Life to give back to the company either through the repayment of stipends and/or compulsory employment by the company (Although this would have been an ideal solution to providing a permanent monthly income).

Moreover, CSI is the willingness by companies to assist the societies in which they operate, on issues that are vital to community development in the short and long term

(IFC, 2010:3). One may hasten to add that CSI programmes are sometimes used as public relations (PR) or marketing instruments.

For example, advertising boards in Port Elizabeth showcasing VWSA's involvement in supporting programmes that provide bicycles to pupils to attend school can be seen as a public relations tool. It is also a way of marketing the VW brand.

It is submitted that the most important submission in this section is the one advanced by Muzindutsi & Sekhampu (2015). They are of the view that CSI is a way in which a firm creates relationships with its immediate community. Kenneth, Mark & James (2011:42), are party to this view with their definition of CSI as "a commitment to achieving public good through investment".

In support of the views expressed in the preceding paragraph, VWSA's CSI programmes are mainly based in the town of Uitenhage. This is where VWSA operates. These CSI programmes create relationships between VWSA and the community. Some "public good" is also achieved through investment in the youth.

This investment in the youth brings about temporary and permanent results. The former concerns stipends given to Love Life volunteers for a period of 12 months and the latter relates to educational support as will be shown in Chapter 4 of the study.

Further submissions in this section regarding CSI include Marples (2010), who argues that social investment can be seen as corporate provisions that benefit society. It is further submitted that CSI relates to organisational events and/or conduct that aim to address the developmental needs of the community (Potter, Singh & York, 2013:3).

Once again, other authors expressly mention the aim of CSI as a benefit to society. These views speak to the aim of this study. Knowing that VWSA undertakes CSI programmes, the intention is to understand the effect of such programmes on the communities targeted.

Concluding this section, Butala & Oosthuizen (2011) state that a successful CSI framework aims to attain an effective use of the geographic area. It also aims to ensure that society is healthy and educated, and that there are sufficient job opportunities.

This study will demonstrate how VWSA invests in community health, education, job creation and job opportunities.

The following section looks at CSI in SA along with common CSI programmes. The section also looks at various factors that affect CSI in South Africa.

### 2.6 CORPORATE SOCIAL INVESTMENT IN SOUTH AFRICA

The current social condition in South Africa is one plagued by poverty and inequality. Poverty and inequality are no longer just the results of past racial laws. The advent of democracy has also brought its own challenges. Other racial groups are discriminated against by the legislation seeking to address affirmative action and black economic empowerment.

The country has seen competent people losing their jobs as a result of this attempt to rebalance the injustices of the past. Those who benefit happen to be the chosen few, whereas in reality the majority of South Africans remain exposed to the harsh realities of joblessness, poverty and crime. Pillay (2011) claims that South Africa has an excessive rate of utter and comparative poverty, there is wage and affluence disparity, as well as growing degrees of joblessness and criminality.

One can submit that under these conditions communities tend to look to corporates to fill the gap where government faces shortfalls and where there is simply no political power to address social ills like unemployment and poverty.

Perhaps one can further submit that this is where the philanthropic responsibility in Carroll's Pyramid calls on corporates to do what is desired by global stakeholders. This is where companies ought to use corporate social investment as a token of good corporate citizenship.

This section of the study looks at CSI in SA along with common projects that are carried out in this country. The section culminates with a look at how CSI is monitored in South Africa.

This scrutiny includes guidelines from the King Reports, various laws such as the Companies Act and the Broad Based Black Economic Empowerment Act (BBBEE).

Included in this, will also be a brief look on the involvement of the Johannesburg Stock Exchange (JSE).

According to Noyoo (2016), the expression 'corporate social investment' gains more favour with South African society than 'corporate social responsibility'. Hinson & Ndhlovu (2011) state that CSI, as a South African phenomenon, construed CSR activities as a company or tactical philanthropy which highlighted education, health care, and local as well as national welfare programmes.

Hinson & Ndhlovu's submission finds application with VWSA's CSI programmes. These programmes address education, health care and other related programmes as will be seen later in the study.

The partnership between VWSA and Love Life, speaks to the following submission. The South African population is culturally diverse and is faced with unforgiving realities like unemployment, illiteracy and poverty (Van Dyk & Fourie, 2012:353). This study established that the CSI programmes that Love Life runs aim to address unemployment, illiteracy and poverty.

As indicated earlier in the text regarding CSI programmes at Love Life, community volunteers are given a monthly stipend for a period of 12 months. Chapter 4 will address this issue in more detail.

The above submission also brings attention to issues that cannot only be handled by the SA government. The SA government has limited resources to deal with these social ills and the private sector and community based organisations should try to find ways to fill the gap (Van Dyk & Fourie, 2012:353).

Another view submitted by Watt (2010) is that CSI is growing rapidly in SA. Significantly the BBBEE Act and the JSE codes have resulted in corporates viewing CSI as a sustainable investment. Section 2.6.1 below looks at common CSI projects in South Africa.

## 2.6.1 Common CSI projects in South Africa

CSI practices are aimed at socio-economic development such as, providing health care, developing infrastructure, alleviating indigence, and providing education (Egun,

2015: 20). According to a KPMG report (2014), investment projects in CSI are those that benefit communities socially and ecologically such as road construction, housing, and the community's access to clean water.

The above paragraph highlights a central theme that has been drawn from both submissions. The theme focuses on initiatives that benefit the community. This is the premise upon which this study turns: The effectiveness of CSI programmes on the social challenges faced by communities in the NMMM.

Supplementary to Egun (2015) and the KPMG (2014) report, Nyahunye (2012) affirms that CSI is more concerned with areas such as welfare, job creation, small business development, conservation, and rural development. The EDC, which is run by VWSA, holds true to Nyahunye's statement, more particularly in relation to small business development.

Other views are that CSI also generates a shared worth by means of foundations for social action. Examples of these projects include investing in community centres, museums, and village halls (Gregory, 2010:15). This submission reflects on a reality that was discovered during the course of this study. It was discovered that VWSA, through its VWCT, also does facility development. What this entails is the renovation and maintenance of community structures like schools, community halls, churches and so on.

That reality also reflects on VWSA and its partnership with Love Life. Love Life has a community centre that addresses various community challenges. Chapter 4 will describe some of these community matters.

Rossouw (2011)'s submission demonstrates another example, (which was visible at the Love Life centre): CSI can provide resources to the community by providing easy access to primary health care, housing, and education.

This study revealed that occasionally, Love Life runs health clinics at its community centre. The aim is to facilitate access to health services that would otherwise require community members to consult with private medical practitioners, thereby incurring expenses.

Further, CSI programmes like the ones given below, lend credence to the findings of this study. For example, in other business sectors, projects that are thought to contribute to social investment include recruiting local inhabitants, purchasing from, and supporting local businesses, and upgrading infrastructure (Esteves & Barclay, 2011: 190). These instances resemble VWSA projects run by EDC and Love Life. More of this will be explained later in the study.

Black (2014) provides further examples of companies engaging in long-term social investment benefits such as, purchasing from local suppliers, developing their employees, improving local infrastructure, and allocating funds to education and technology. The EDC's development of potential VWSA suppliers is a reflection of Black's statement.

The foregoing text looked at a number of submissions that give examples of common CSI projects. Thus far, these examples have been identified and coupled to CSI projects that were undertaken by VWSA through its CSI arm, namely the VWCT. Next, is a brief look at other issues that are affecting CSI in South Africa.

## 2.6.2 Corporate Governance: King III Report

In South Africa, CSI is amongst the Corporate Governance issues that were streamlined by the King Reports. The King Reports recommend that corporations publish integrated reports on how their operations impact the communities they operate in (Noyoo, 2016: 73). This obligation seems to address the aim of this study namely, to investigate the effectiveness of CSI in relation to company activities within the community.

The King III report requires companies to consider all their stakeholders, irrespective of whether they are influential in bringing about economic corporate success or not (IoDSA, 2012:11). This was also addressed earlier in the text regarding internal and external stakeholders.

Van Dyk & Fourie (2012) also submit that CSI is attached to the need for corporate governance and that CSI describes the framework of relationships between corporations and society.

It is evident from the above that King III makes a link between the companies and society. This is the same link associated with CSI and the research objectives of this study.

Further submissions on corporate governance hold the view that industries within the South African economy understand the reasons for good corporate governance. This could lead to potential benefits like poverty reduction and a contribution to economic growth. Controlling structures form an important groundwork of good corporate governance. (Young, 2012:73).

As alluded to earlier, VWCT and EDC aim to contribute to economic growth. This is done through enterprise development and also by including these small companies in the VWSA supply chain structure. The objective, is increased employment and poverty reduction.

Lastly, and according to Marx & Van Dyk (2010), King III highlights the need for businesses to consider and act upon the impact that their operations have on the economic sustainability of communities within which they conduct their business. It can be submitted that this consideration is the same as the third objective of the study. The third objective seeks to determine the effectiveness of CSI programmes in the community.

### 2.6.3 The Companies Act 71 of 2008

One of the purposes of the new South African Companies Act, Act 71 of 2008, is to ensure that the companies' conduct is transparent and that they conform to the principles of good corporate governance. This is important especially considering the major role that firms play within the social and economic well - being of the societies in which they operate in (RSA).

### 2.6.4 The Broad-Based Black Economic Empowerment (BBBEE) Act of 2003

The South African government passed the BBBEE Act in 2003 (RSA) with the aim of transforming unequal patterns of corporate ownership and economic participation. The objective was to map the way for corporations to effect socially responsible behaviour

regarding the economic empowerment of historically disadvantaged blacks within corporations across the economy (Arya & Bassi, 2010:1).

This act together with other related legislation, is relevant to this research because corporations are run by shareholders who implement and formulate the relevant CSI programmes, are those who best understand the social needs of their communities. Moreover, developing small enterprises, as is the case with EDC, will assist in relaxing the barriers of entry for black owned companies, into the supply chain of established corporations.

This researcher's submissions are best put by Muswema (2012), who claims that the BBBEE Act, as well as its Codes of Good Practice and different transformation charters, lays the foundation for transformation aimed at promoting black economic empowerment in the post-apartheid era.

# 2.6.5 The Johannesburg Stock Exchange

The JSE instructed all companies wishing to list to provide integrated reporting as one of its listing requirements as a compliance mechanism with the King III Report (Solomon & Maroun, 2012:6). Moreover, the JSE Socially Responsible Investment (SRI) Index gives recognition to firms that conform to the triple-bottom line (social, economic, and environmental) approach (Mearns, 2015:7).

As a result of this direction by the JSE, companies considered attaining these requirements in order to demonstrate social responsibility and achieving the triple bottom line (Andreasson, 2011:662). From this it is evident that the JSE also links companies with communities. Moreover, this link speaks to the objectives of the current study, which aims to create a connection between CSI and the community.

Having presented a literature review of CSI, and before summarising Chapter 2, it is important to give a brief background to VWSA CSI. This will also give some perspective to the succeeding chapters in this study.

Since the strategy in this research is a case study, it is important to briefly describe VWSA's CSI activities together with its relationship with its CSI partners.

VWSA runs CSI programmes through its own structure known as the VW Community Trust (VWCT). VWCT has partnerships with the Love Life Youth Centre. This is where community projects ranging from literacy, education, youth development and other related issues are given attention.

There is also a relationship between VWCT and the Enterprise Development Centre (EDC). The EDC focuses on developing small businesses that can supply VWSA with industry related goods. These relationships are important for VWSA as well as its CSI partners and the community. The foregoing brief description allows for ease of reference where the concepts that were addressed in this chapter merged with VWSA and its CSI partners.

### 2.7 SUMMARY

This chapter reintroduced the objectives of this study namely, to evaluate the achievements of the CSI programmes of the Volkswagen Group South Africa (VWSA) on the community of NMMM, assess the benefits that are enjoyed by the community's as a result of VWSA's CSI programmes, and to measure the effectiveness of VWSA's CSI programmes.

Literature was reviewed on stakeholder theory with a brief description of the relationship attributes between stakeholders and the corporation. These attributes are power, legitimacy, and urgency.

Corporate Social Responsibility (CSR) also forms part of this chapter. It was defined as the manner in which a firm takes responsibility towards the environment, its consumers, employees, stakeholders, and the community in general together with Carroll's CSR pyramid. Most importantly, the literature review highlighted reasons that motivate companies to engage in CSR.

The chapter then moved from CSR to Corporate Social Investment (CSI). A literature review was completed in order to understand CSI. CSI was also placed in a South African.

Chapter 2 concluded by looking at the factors that influence CSI in SA. These are laws governing corporate conduct as well as the King Reports. Rules of the Johannesburg Stock Exchange were also reflected on in the concluding section of this chapter.

This chapter also provided a brief background of VWSA and its CSI partners and related programmes. Chapter 3 to follow gives background information regarding the method through which this research was conducted. It looks at the concepts related to research design; research philosophy; and research strategy. Chapter 3 also looks at how data was collected in conducting this study.

#### **CHAPTER 3**

### RESEARCH METHODOLOGY

### 3.1 INTRODUCTION

Chapter 3 pronounces how the research was conducted in this study. Before this is done, some concepts require a brief introduction. The first concept that needs to be introduced is research.

According to Sivasubramanian (2011), research is a controlled and logical search for relevant material on a particular subject. Moreover, and according to the same author, methodology is an analysis of applied methods in a given field of study.

Methodology also consists of a theoretical analysis of the bulk of techniques and ideologies relating to a specific field of expertise (Igwenage, 2016: 4). Additional to this, Sivasubramaniyan (2012) puts it simply by referring to research methodology as a means to analytically unscramble the research problem.

### 3.2 RESEARCH DESIGN

Research design is a formulation or outline that is used in explaining how a researcher aims to conduct his/her research (Mouton, 2008: 55). Additional to Mouton's definition above, Fischer et al (2008) defines research design as a description of how the sections of the study are put together for coherence and for the lessening of hazards to validity and credibility.

The researcher in this study followed Bhattacherjee's (2012) definition of research design. The decision was influenced by the fact that this study's "blueprint" followed three processes namely, collection of data, developing and designing a questionnaire and the sampling process. Pandey & Pandey (2015) put it in simple terms by stating that research design is a chart that is generally established to pilot the research. The research method employed in the study was the mixed methods research. The next two sections will touch on mixed methods research and the research philosophy.

### 3.2.1 Mixed methods research

As already stated above, the researcher in this study opted for a mixed methods research. This choice was brought about by various submissions expressed in the following statement by Creswell & Clark (2011): A mixed method research concentrates on gathering, evaluating, and mingling both qualitative and qualitative information in a single study or a sequence of studies.

In qualitative research, the researcher adopts an approach whereby he/she looks at and tries to understand the way in which people or people within groups/communities relate to a social or community problem (Creswell, 2014:32).

Quantitative methods emanate from a positivist framework. Positivism gives emphasis to scientific methods during the observation to practically investigate hypotheses and forecasting as to what leads to certain things ultimately happening (Kasim, Alexander & Hudson, 2010:48).

The mixed methods research in this study, assisted the researcher to conduct interviews. From these interviews this researcher was able to determine how participants described certain topics. These findings were then used to enhance questionnaires in this study as data gathering tolls.

The mixed methods research also allowed this researcher to combine data analysis approaches. For example, tables and figures were utilised to display both qualitative and quantitative results.

The foregoing submissions highlight the employment of a mixed qualitative and quantitative approach on socially related issues. The same sentiment is expressed in the succeeding expressions of other authors like Baskarda and Meurer, Frederiksen, & Jennifer (2011).

Baskarada (2014) supports Creswell's earlier submission. The author states that qualitative researchers normally assume that social reality is created by humans and therefore, they tend to interpret and put into context the meanings that are derived from individual beliefs and practices.

### 3.3 RESEARCH PHILOSOPHY

# 3.3.1 Meaning and purpose

Creswell (2006) submits that research philosophy is premised on the methods upon which information, that concern a certain observable fact, ought to be collected, scrutinized and applied.

Sefotho (2015) consolidates the preceding definition by submitting that research philosophy gives a clearer comprehension regarding the process that is involved in research; and further that, this philosophy brings into line the significant view points of the study in question.

## 3.3.2 Researcher's philosophy in this study

The research philosophy in this study reflects interpretivist and positivist principles. Interpretivism is an epistemology that encourages a researcher to comprehend different roles that people play in their social lives. According to Kasim *et al.* (2010) positivism gives emphasis to scientific methods during an observation to practically investigate hypotheses and forecasting in order to find out what leads to certain things ultimately happening.

Further, according to interpretivist principles, the researcher has to embrace a benevolent standpoint; he/she has to come into the communal world of his/her research citizenry and appreciate conditions they find themselves in (Saunders et. al., 2009:9).

The views expressed by Saunders *et al.* above are backed by this researcher. The reason being that CSI raises the need to explore the role that is played by VWSA in the social lives of the community that they operate in. Furthermore, the levels of poverty and unemployment in the NMMM inclines one to adopt a compassionate stand regarding the community, especially in Uitenhage/Kwanobuhle.

Additional to Saunders *et al.* (2009), Tichapondwa (2013) is of the view that interpretivists hold the perception that in order to fathom social exploits, scholars must probe into the purpose and implications that such actions have for people.

One of the research objectives of this study is to determine the effectiveness of the programmes that are employed by VWSA as part of its CSI. This objective is in line with Tichapondwa's (2013) submission because the current study aims to investigate how the communities that the VWSA operates in are able to benefit from its existence.

Lastly, Sefotho (2015) holds that this approach recognizes that value is publicly created. Furthermore, that value can expose the concealed principles and worldviews.

Does VWSA see the value in investing in social programmes that aim to better the lives of its immediate community? Does the community perceive the corporate social investment programmes effective in addressing their social needs? These were some of the questions that this study aimed to answer or at least highlight in order to contribute meaningfully in this field; hence the interpretivist philosophy.

### 3.4 RESEARCH STRATEGY

The importance of strategy in research is to give the researcher the general course of the study as well as the method by which the research is conducted. Examples of a research strategy include, but are not limited to, experiments and case studies (Wedawatta, Ingirige, & Amaratunga, 2011:1).

### 3.4.1 Case Study

The strategy adopted for this research, was a case study. Because case studies explore current happenings within their real life context (Wedawatta et al., 2011:1), the researcher in this study deemed this strategy appropriate in order to explore VWSA's CSI in the Nelson Mandela Metropolitan Municipality.

Secondly, case studies are used to conduct research on a single study, that is, a solitary case or a minor quantity of instances namely, comparatively, in their actual life setting (Dul & Hak, 2008:4). This research was based on a single case study focusing on CSI at VWSA.

This decision was influenced, amongst other things, by the fact that CSI is a current phenomenon that multinational enterprises (MNEs) in South Africa (SA) are addressing. Moreover, VWSA is one of the major MNE's in the NMMM area.

Section 3.5 below looks at data collection employed in this study. The section gives a brief explanation regarding questionnaires and interviews that were conducted during the course of this research.

### 3.5 DATA COLLECTION

### 3.5.1 Data

Data is the controlled compilation and preparation of materials, details, dimensions, and observations that are required in order for the researcher to provide a research report (Boaduo, 2011: 141). In this study data was collected through questionnaires and semi-structured interviews. A literature study was used as a guide to look at what questions needed to be asked in both the questionnaires and the interviews.

Table 3.1 below, looks at the data collection methods employed in this study. It also highlights the advantages and disadvantages of each data collection method.

Table 3.1: Data collection methods employed in the study

Data Collection Method	Specific type	Advantages	Disadvantages
Questionnaire	Self – Reporting	<ul> <li>✓ Minimal costs where respondents are within the same geographic area.</li> <li>✓ Respondents provide answers to the same questions thereby reducing researcher bias.</li> </ul>	<ul> <li>✓ Inability to delve into answers</li> <li>✓ Respondents may attach different meaning to survey items.</li> <li>✓ Possibility of respondents not completing the questionnaire.</li> </ul>
Interviews	Self- Administered	<ul> <li>✓ Researcher can delve into interviewee's priorities and perceptions regarding the subject matter.</li> <li>✓ Researcher can acquire personal experiences from interviewee</li> </ul>	<ul> <li>✓ Respondents may view some questions as invasive.</li> <li>✓ Researcher must invest time.</li> <li>✓ Prone to bias</li> </ul>
Literature Study (only as a guide in framing questionnaire and interview questions)	Documentary sources	<ul> <li>✓ Inexpensive.</li> <li>✓ Provides background information.</li> <li>✓ Addresses issues that are common in the field.</li> </ul>	<ul> <li>✓ Some data might be outdated.</li> <li>✓ Information might be inaccurate.</li> <li>✓ It is time consuming.</li> </ul>

Source: Adapted from Mouton (2008).

### 3.5.1.1 Questionnaires

Igwenage (2016) defines a questionnaire as a data collection instrument that is made up of questions and answers and which is often utilised in the study of humans and their related social activities. Furthermore, and according to Harris & Brown (2010),

questionnaires have the ability of producing indications regarding samples within enormous populations.

The researcher in this study designed a questionnaire in a way that would keep it short by asking plainly formulated questions. These were closed and open ended questions. One of the approaches used in the research to investigate a variety of subjects is a survey.

Questionnaires are regularly utilized as survey implements to collect data (Mathers, Fox, & Hunn, 2007:4). The questions at the beginning of the questionnaire started with demographic questions. The reason for this was to provide context to the participants.

Multiple choice as well as questions requiring a 'yes' or 'no' answer were included in the questionnaire. There were also open-ended questions that were cautiously framed in order to avoid answers that did not pertain to the study.

The researcher in this study personally delivered and collected the questionnaires from the VWSA sample. The reason for the adopted approach is that it is much easier for the researcher to interact with respondents in circumstances where the questionnaires are personally handed over and this increases the response rate (Mathers et. al., 2007:9). In this way, the researcher was able to clarify unclear answers. Moreover, the researcher's presence mitigated the threat of non-response.

The second reason why personal delivery and collection was preferred in this study is because as Mathers *et al.* (2007) state that postal surveys could take up to six weeks before they are returned. Furthermore, it was unlikely that questionnaires could get lost when they are personally delivered.

Questionnaires were distributed to ten employees at VWSA. The researcher opted for this method of data collection because he felt that the employees would be at ease when replying to a survey instead of being involved in an interview.

Ten other questionnaires were handed over to community members in order to gain insight into their awareness of the social investment activities that involve VWSA. This was done by asking the same questions of all respondents.

#### 3.5.1.2 Interviews

Interviews are conducted when a researcher aims to gain insight from specific individuals. They are also suitable in a case where the researcher wants to obtain the opinions of those in authority regarding the subject matter (Driscoll, 2011:163).

Kendall (2008) also believes that data collected from interviews bring out a comprehensive understanding on respondent's mind-sets, beliefs, and exploits. Edwards & Holland (2013) add that many studies, across an array of fields, have employed interviews as the basis of their research.

It is due to the foregoing statements that the researcher in this study conducted semistructured interviews with three senior management members who were involved in the VWCT CSI programmes. Semi-structured interviews are regularly used in the qualitative research design (DiCicco-Bloom & Crabtree, 2006:315). According to Edwards & Holland (2013), semi-structured interviews provide the respondents with an opportunity to reply on individual terms unlike most structured interviews.

DiCicco-Bloom & Crabtree (2006) support the use of interviews as one of the approaches used in gathering data in various fields. Interviewing senior managers in this study, proved useful for in understanding and acquiring background regarding the subject of CSI at VWSA.

These interviews also gave the respondents the opportunity to express matters that are important to them and allowed for the researcher to collect references from their CSI experiences. The researcher subsequently listened to the interviews he conducted with respondents. The respondents gave permission for this researcher to record the interviews. Thereafter, a transcription was made of these audio recorded interviews. This enabled this researcher to review the responses from the respondents.

Lastly, because the interviews were structured across an array of prearranged openended questions, and other questions emanating from the discourse between this researcher and respondents, the researcher had the advantage of probing meaningfully into the social and subjective matters regarding CSI.

## 3.5.1.3 Population

According to Hanlon & Larget (2011) individuals or units of interest constitute a population. Pandey & Pandey (2015) give a general definition of population as that faction of society to whom we would desire our research outcomes to apply.

In this study, the population was the employees at VWSA as well as the members of the community in Uitenhage. The VWSA employee population consisted of both genders of differing ages, as well as employees at different levels in the company. The population from the community also included both genders from different age groups.

### 3.6 SAMPLING

Sampling is a numerical process of picking a subsection of relevant people in order to conduct surveillances and statistical conclusions in relation to that particular population (Bhattacherjee, 2012: 65). Latham (2007) submits that sampling involves selecting a part of the population and drawing an inference from the data collected in order to form one's research information.

The researcher in this study chose a sample from VWSA. This sample consisted of managers and junior level employees. Moreover, the researcher chose a sample from members of the Uitenhage/Kwanobuhle community in order to gain insight into their awareness and involvement with VWSA's CSI initiatives.

The researcher could not study the whole VWSA and Uitenhage/Kwanobuhle citizenry due to feasibility and costs limitations that were related to the study, hence only a representative sample was chosen from the populace of interest for the survey and corresponding analysis.

This researcher's above submission regarding VWSA, and Uitenhage/Kwanobuhle community, finds support in Etikan, Musa & Alkasim (2016) who claim that it would be exceptional, in each kind of study, to use the entire population. They further submit that it is impossible, at least in the majority of cases, for a sample to include every citizen since the community is nearly infinite. In this study, participants were approached at the VWSA premises and at the VWSA CSI partner organisations. Community participants were approached in both Kwanobuhle/communities.

## **3.6.1** Sample

According to Hanlon and Larget (2011), a sample is a subsection of the people in a population which consists of those members of the research population from whom the researchers collect their data.

In this study, a sample consisted of three management personnel involved with the VWCT and other VWSA employees at various levels of company structures. Ten other members from the Uitenhage/Kwanobuhle community, who live in proximity to where the company conducts its operations, also formed part of the sample.

# 3.6.2 Non – Probability Sampling

This study used non-probability sampling. This sampling method involves collecting testers in a way that does not afford all members of the population or all units in the population matching prospects of inclusion in the study (Etikan et al., 2016: 1).

Latham (2007) submits that non-probability sampling is a handy tool for researchers in their quest to attain certain purposes of the inquiry they are pursuing. It is indeed the case in this study as the researcher inquires into VWSA's activities regarding its CSI.

This sampling method was convenient as individuals who are involved in this process were in a position to provide in-depth information regarding the subject matter.

### 3.6.2.1 Convenience Sampling

Convenience sampling is a form of non-probability sampling. With this method of sampling, members of the target population who are included in the study are those who are conveniently accessible, are within a certain physical area, and most importantly, those who are eager to take part in the study (Etikan et al., 2016:2).

In this study the convenience sampling proved to be useful since the employees at VWSA were readily available - they were at the same place, at the same time, and all willing to participate in the study. As indicted above, these participants were approached at VWSA in Uitenhage. Latham (2007) consolidates the choice of this sampling method by stating that participants and/or respondents in convenience sampling are often immediately accessible and they contribute to the research.

## 3.6.2.2 Advantages of non – probability sampling

According to Pandey & Pandey (2015), researchers who embark on non-probability sampling incur minimum costs, save a lot of time, and also utilise less energy in acquiring some of their data. The researcher in this study can attest to Pandey & Pandey's submission.

Because the sample was from VWSA, it saved the researcher from incurring costs on resources from travelling from one place to the other, since all the respondents were at one physical location. Moreover, the community members were in one geographical area namely, Uitenhage/Kwanobuhle.

### 3.7 DATA ANALYSIS

Data analysis is a procedure of generating uniformity, shape and significance to the bulk of gathered data (Hilal & Alabri, 2013:181). Elo & Kyngas (2008) also contend that content evaluation is a technique of analysing interaction messages that are inscribed, transcribed or graphic. Furthermore, the objective of data analysis is to offer a detailed report of the assembled records in order to render them meaningful to readers and experts (Boaduo, 2011:144).

In line with the above statements, the researcher in this study also analysed data gathered from semi-structured interviews with the managers who were involved with the VWCT. Moreover, the responses from the questionnaires handed out and collected from VWSA employees were also analysed, along with the questionnaires from members of the Uitenhage/Kwanobuhle community. The researcher transcribed interview responses and coded the responses that related to the research objectives. The same was done with the answers from the open-ended questionnaire questions.

Moreover, closed questions in the questionnaires were analysed and applied to the objectives that they were intended to address. The actual analysis is found in Chapter 4 of this study.

#### 3.8 RELIABILTY

Reliability is a model used for assessing and/or weighing the quality of data in research. Moreover, quality remains the fundamental assessment in every research (Golafshani, 2003:601).

In future studies, interviews conducted in this study with respondents could produce similar responses if similar interviews questions are conducted on the subject of CSI, albeit on different CSI projects/initiatives. Such results will lend credence to the quality of this study.

Thanasegaran (2009) simplifies the preceding submissions by stating that reliability has to do with the extent to which measures are exempt from mistakes and, as a result, are required to produce stable end results.

Questionnaires that were distributed in this study are able to yield the same or similar responses if they are distributed to the same respondents even if the questions and/or statements requiring the comments are altered by another researcher.

According to Berg and Lune (2012), there are concerns about reliability and duplication of numerous methods within the single case study analysis. These authors submit that a lone case study is not able to consistently advance something outside the specific case.

Moreover, and according to Gerring (2004), solitary project studies are not really suitable for numerical generalisation. Once more, this submission by the latter author is true in relation to this study.

The above assertions are further supported by Kimberlin & Winterstein (2008) who claim that reliability approximates assess the consistency of instruments, internal stability of measurement tools, and inter-rater dependability of mechanism tallies.

### 3.9 VALIDITY

Validity speaks to the warranting of tests results and more specifically, the interpretation thereof. This will depend on the purpose of the test that is being conducted (Kimberlin & Winterstein, 2008, p. 2276). Similarly Twycross & Shields

(2004) submit that validity refers to the ability of a measuring tool to measure what it is meant to measure.

Furthermore, and according to Twycross & Shields (2004), there are several measures that could be used to assess the validity of the data collection tools namely: content, criterion, and construct validity.

### 3.9.1 Content Validity

Twycross & Shields (2004) submit that face validity serves as a type of content validity. This is where the scholar makes enquires from a limited number of respondents in order to provide their opinion on the validity of the tool.

The researcher in this study designed a questionnaire and distributed it to a few respondents.

# 3.9.2 Concurrent Validity

Under this assessment measure relating to validity, Twycross & Shields (2004) identify concurrent validity as a gauge that employs a previous accessible and completely acknowledged tool against which the new measure can be compared.

The current study employed questionnaires and interviews as part of its data collection tools. The previous questionnaires that were designed and utilised in similar fields relating to corporate citizenship were consulted. They assisted in the design and construction of the questionnaires that were employed in this study.

Further, interviews with expert respondents in the field were structured according to the theory gained from reading resource materials in the field of corporate social investment. The secondary data in this study was extracted from the latest academic and business sources that deal with the subject matter of the current research.

## 3.9.3 Construct Validity

Construct validity checks the correlation between a measure and the fundamental theory that a researcher would anticipate in order to realise an association with tests that are assessing related areas (Twycross & Shields, 2004:28). The researcher in this study discovered a link between the responses in both the questionnaires and the

interviews with the senior management personnel at VWCT who are involved in the company's CSI programmes.

#### 3.10 ETHICS

Resnik (2013) defines ethics as standards for behaviour that differentiate between tolerable and intolerable deeds. In addition to the preceding definition, Gammel (2006) gives a fuller definition of ethics as a moral consideration upon shared traditions in relation to common existence, personal routines, groups, and man-kind in general.

These ethical norms and/or standards place researchers under certain obligations in pursuit of their studies. One of those obligations is for the researcher to give consideration to potential effects of the intended research on those who are taking part, as well as their communities and relatives (Ingham-Broomfield, 2010:106).

The researcher in this study was also subjected to the University's ethical requirements in conducting this research. The researcher completed and submitted "Form E" which served as a verification that satisfies ethical considerations in the execution of this study. The ethical considerations were related to the respondents' confidentiality. Secondly, respondents were informed that they are not under any obligation to participate in this study. In other words, their participation was voluntary.

Furthermore, the interview participants were made aware of the interview recording. These interview participants gave their consent to this researcher for the interview to be recorded.

The above processes conform to Reskin's (2013) submission that a researchers' objectives relating to their conduct whilst carrying out technical or other academic research, are also subject to ethical norms.

### 3.11 SUMMARY

Chapter 3 introduced the concepts of the research methodology and defined research as a logical search for information relating to a particular topic of a researcher's interest. Methodology was introduced as an analysis of methods used in the research that concerned a certain field of expertise or interest.

The researcher further touched on his research design by explaining it as a path that he adopted in carrying out this study. The research method employed in the study is known as the mixed methods research.

The chapter also briefly enunciated on the research philosophies that were followed in this study, namely the interpretivist and positivist research philosophies. Interpretivist principles encourage researchers to embrace a compassionate standpoint in their study towards the subjects of such study. Positivism gives emphasis to scientific methods during the observation in order to practically investigate the hypotheses and forecasting as to what causes certain things ultimately happening

The strategy employed in this research was a case study. CSI at VWSA was the single study carried out in this research. The case study covered the VWSA population as well as the community of Uitenhage/Kwanobuhle. Uitenhage/Kwanobuhle is the physical location where VWSA conducts its production activities.

Data collection was conducted through questionnaires that were distributed and collected by the researcher at VWSA and within the Uitenhage/Kwanobuhle community. A questionnaire was defined as a data collection instrument that is made up of questions and answers and which is often utilised in the study of humans and their related social activities.

Interviews were also conducted with senior VWSA CSI partners' personnel. In particular, semi-structured interviews were conducted in this study because they are regularly used in the qualitative part of the mixed methods research design.

The population of the study was the employees at VWSA as well as the community members in Uitenhage/Kwanobuhle. Population was defined as people or entities of interest in a given study. A sample or a subset of people in a population was drawn from both these groups of interest in order to have more accurate data concerning the issues relating to CSI.

Convenience sampling, as one of the methods under non-probability sampling, was employed in the study. Convenience sampling is a sampling method that is used when respondents are often directly easy to get to and agree to contribute to the research.

The advantage of this sampling method was that it saved costs and time since all respondents are within the same physical and geographical area.

The concept of data analysis was briefly explained as a process of creating consistency, outline and worth to the bulk of gathered data.

Reliability and validity were explained in the context of data collection instruments that were used in this particular study. Reliability is put forward by various commentators as one tool in research which could be used to test quality. Moreover, reliability also functions as a point of creating understanding.

Validity was presented in this text as referring to the ability of a measuring tool to measure what it is meant to measure, and being able to be subjected to several assessment measures such as content, concurrent, and construct validity.

Chapter 3 concluded by highlighting the importance of ethics in research. Several definitions of ethics and/or ethical norms were cited as placing an obligation on researchers to conduct their studies in a manner that accords to acceptable research standards that were set by various entities and also society in general.

#### CHAPTER 4

### **DATA ANALYSIS**

### 4.1 INTRODUCTION

Chapter 3 of this study dealt with research methods that are employed in investigating or understanding the effectiveness of Corporate Social Investment (CSI) in addressing social challenges that affect the communities in the Nelson Mandela Metropolitan Municipality (NMMM).

Chapter 3 also detailed the methodology used in understanding the aim of this study as mentioned in the preceding paragraph.

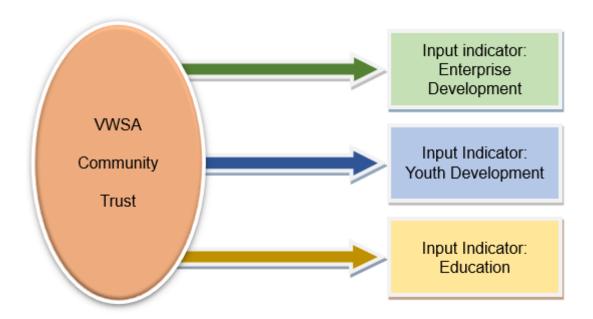
As indicated, data was collected through questionnaires and semi-structured interviews. The purpose of Chapter 4 is to analyse the data that was collected in the preceding chapter of this study. The following text and corresponding diagrams reveal the outcome of this mixed methods research. Before delving into the analysis, it is important to outline some of the areas where VWSA's CSI activities take place.

VWSA's CSI programs are driven by the VW Community Trust (VWCT). Volkswagen, as an international entity, is enthusiastic about improving peoples' lives and assisting communities. To this extent, the VWCT is equally zealous with regard to developing the lives of South African people and fostering communities (VWSA, 2016).

The objective of the VWCT, which is in the town of Uitenhage where the VWSA plant is situated within the NMMM, is to invest in the community where VWSA conducts it operations. The VWCT has 6 focus areas (VWCT, 2016):

- Enterprise Development
- Youth Development
- Education
- Health, Community and Wellbeing
- Employee Volunteerism
- Environment

Figure 4.1 below, illustrates three of the focus areas that are undertaken by VWCT. The chosen focus areas are the ones relevant for the purposes of this researcher's study. The focus areas are; enterprise development, youth development, and education.



Source: www.vwcommunitytrust.co.za

Figure 4.1: Content adapted from VWSA Community Trust

As stated above, this study will focus on the first three input areas as reflected in figure 4.1 above. The aim is to look at how VWCT invests in these areas. Thereafter, the study will investigate the output emanating from these investments. The output will be discussed later in this chapter.

Figure 4.1 above puts VWCT as the driving force behind the VWSA's CSI programmes. The Trust invests in three focus areas namely; enterprise development, youth development, and education.

There are certain investments in each field as well as other mechanisms employed in advancing these CSI programmes. In other words, CSI is not just about monetary investments. The output of these programmes, as indicated earlier, will be discussed later.

Further, the study explores the sustainability of these CSI programmes. The study also explores whether recipients experience a tangible change from VWSA's involvement in addressing their challenges.

Having given the above information in relation to VWSA's CSI programmes, the focus will now be on the data analysis emanating from the data collected from the role players involved in these CSI programmes.

Data analysis is the process of describing and summarizing the feedback that were given through the interviews or the data gathered from observations (Lacey and Luff, 2001:3). Chapter 4 analyses the data gathered from interviews and questionnaires. Interviews were conducted with managers at various CSI partners of Volkswagen South Africa (VWSA).

Moreover, questionnaires were distributed at VWSA and within the community of Uitenhage. VWSA operates within the community of Uitenhage. Therefore, both interviews and questionnaires will be analysed in this chapter.

Note that as the study progresses there will be a mention of Kwanobuhle. Kwanobuhle is one of the residential areas that lies adjacent to Uitenhage. As a result, any reference to Kwanobuhle should be construed as incorporating Uitenhage and vice versa.

On the subject of data analysis, Lacey and Luff (2011) provide further common processes to analyse data. According to the authors, these include, but are not limited to the following:

### 4.1.1 Anonymity of respondents who provided the data.

In this study, all the respondents' identities were kept confidential. In other words, the identities of the respondents who were interviewed were kept secret. Moreover, questionnaires in this study were in their nature silent on the respondents' identities.

#### 4.1.2 Theme identification.

The researcher in this study identified various themes from interviews. Questionnaires had specific questions that were based on various objectives of the study. Therefore,

the themes were also drawn from answers that were provided to the open-ended questions in the questionnaires.

Having taken a cue from Lacey and Luff (2011) on how to process data what now follows is an analysis of the data captured during this research. The analysis focuses on the aim and objectives of this particular study.

The aim of this study is to investigate the effectiveness of corporate social investment on the social challenges faced by communities in the NMMM.

The objectives of the study are to investigate the programmes that were undertaken by VWSA in addressing the social challenges faced by communities in the NMMM; and also to understand the involvement and benefits that accrue to the community in identifying which social challenges need to be addressed.

Furthermore, the investigation also aims to determine the effectiveness of these social investment programmes. Lastly, recommendations are made in the succeeding Chapter 5. The aim of the recommendations is to attempt to improve the effectiveness and sustainability of the social investment programmes.

The results of the study are categorised into four sections namely, sections A, B, C, and D. First, the data analysis of the results from survey questionnaires in sections A and B will be presented. This will be followed by a data analysis of the open-ended responses from questionnaires and also answers from the interviews in sections C and D respectively.

## **RESULTS IN SECTION A**

### 4.2 RESULTS FROM VWSA EMPLOYEE SURVEY: QUESTIONNAIRES

The VWSA employee questionnaire was divided into three sections (See Appendix A). The results will be discussed systematically as per section of the questionnaire. Section one provides brief background information of the respondents. The second section briefly gives the employment information of the respondents.

Lastly, section three provides information relating to the employees' knowledge of their company's involvement in social investment programmes.

The study will now look into the issues as presented in the preceding two paragraphs above.

## 4.2.1 Background information of the respondents

The aim of this particular section is to give brief background information of the respondents in the study. Table 4.1 below gives a demographic composition of the respondents' gender.

Table 4.1: Sample composition of VWSA participants: Gender

Gender	Frequency	Percentage
Male	06	60
Female	04	40
Total	10	100

The background information as displayed in Table 4.1 above indicates that 60% of the respondents were male, and the remaining 40% female.

The next section of the findings, deals with the respondents' years of employment at VWSA. This information is important in order to indicate the awareness levels of VWSA employees regarding their company's involvement in CSI programmes.

The findings reveal that the majority of respondents, that is, 40%, have been working for the company for more than five years. Thirty percent of respondents have been with VWSA for a maximum of five years and less.

The remaining 20% of respondents has been with VWSA for a period of between 11 to 15 years. The remaining 10% has been with the company for more than 15 years.

Table 4.2: Sample composition of VWSA participants: Years employed at VWSA

Years	Frequency	Percentage
0-5	3	30
06 – 10	4	40
11 – 15	2	20
16 - 20	1	10
Total	10	100

The information contained in the preceding two paragraphs, is reflected in Table 4.5 above.

Next, the study looks at categories of employees from the respondent sample at VWSA. According to Table 4.3 below, 50% of respondents occupy middle management positions. The other 50% works at factory level.

This information is important because it indicates the balance that was maintained by the researcher in obtaining responses from both management and factory level employees.

Table 4.3: Sample composition of VWSA participants: Employee status

Employee status	Frequency	Percentage
Middle management	5	50
Factory level	5	50
Total	10	100

In other words, the study did not base its responses on the potential bias of managers who would want to positively reflect their company's CSI initiatives.

The foregoing information and its corresponding Tables covered sections one and two of the questionnaires distributed at VWSA. The following information covers the remaining section three of the same questionnaire.

This section is more concerned with the respondents' knowledge and/or awareness regarding their company's involvement with the community as far as its CSI programmes is concerned.

Figure 4.2 below illustrates the respondents' knowledge regarding VWSA's CSI programmes and community involvement. In other words, this illustrates the level of awareness by VWSA employees of their company's involvement with the community within which it carries out its operations.

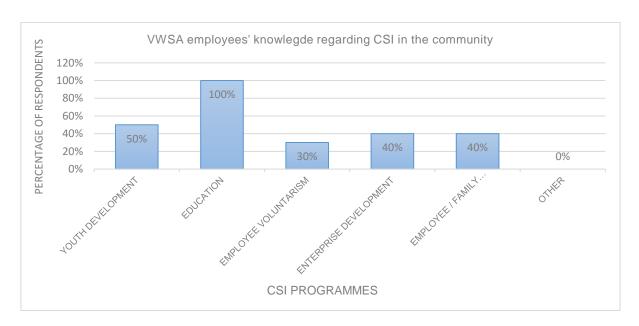


Figure 4.2: VWSA employees' knowledge regarding VWSA's CSI in the community

According to the results from the questionnaire, and as depicted in Figure 4.2 above, 50% of respondents are aware that VWSA is involved in youth development programmes. All respondents, that is 100%, are aware that their company is involved in education programmes within the community.

30% of respondents have knowledge of the VWSA employees' voluntary involvement in CSI programmes. Enterprise development scored 40% as one of the programmes that employees recognised as being undertaken by VWSA.

Lastly, Figure 4.2 above also reflects that 40% of the respondents are aware that VWSA undertakes CSI programmes that reach out to employees and/or their families. This information is important in order to show how internal stakeholders within VWSA, notice their company's efforts in investing in their community. Moreover, their level of awareness is also indicative of how important it is for VWSA to continue investing in programmes that involve its employees and their communities.

The succeeding text, and the corresponding Figures 4.3 and 4.4 below, delve into VWSA employees' perception of community involvement in the VWSA CSI programmes, and how VWSA employees involve themselves in their company's CSI programmes respectively.

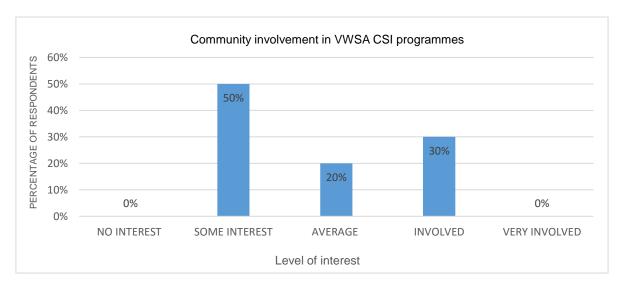


Figure 4.3: VWSA employees' perceived community involvement in VWSA's CSI Programmes

From Figure 4.3 above, 50% of VWSA employees are of the opinion that community members show some interest at being involved in VWSA's community based CSI programmes. Twenty percent of the respondents think that there is an average involvement from the community members as far as CSI programmes are involved.

Lastly, the remaining 30% of respondents thinks that community members surpass the average involvement in the VWSA CSI programmes.

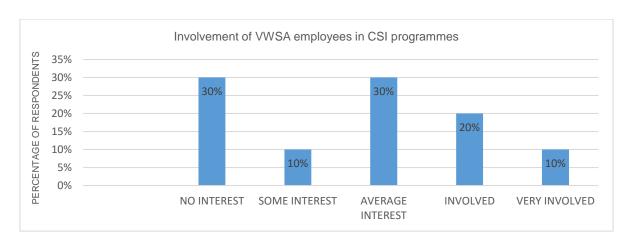


Figure 4.4: VWSA employees' involvement in VWSA's CSI programmes

Figure 4.4 above reflects the involvement of VWSA employees in their company's CSI programmes. Bear in mind that the preceding Figure 4.3 above, reflected on VWSA employees' view on how the Uitenhage community is involved in the same CSI programmes.

The difference between Figures 4.3 and 4.4 above is that the former indicates the perceptions of the VWSA employees on how communities involve themselves in VWSA's CSI programmes. On the other hand, the latter Figure, shows how VWSA employees view their own involvement in their company's CSI programmes.

Figure 4.4 reflects that 30% of VWSA employees show no interest in their company's CSI programmes, 10% indicate some interest in the company's CSI initiatives, another 30% have an average interest in VWSA CSI programmes, and the remaining 10% reflects an enthusiastic involvement in what their company does as far as social investment is concerned.

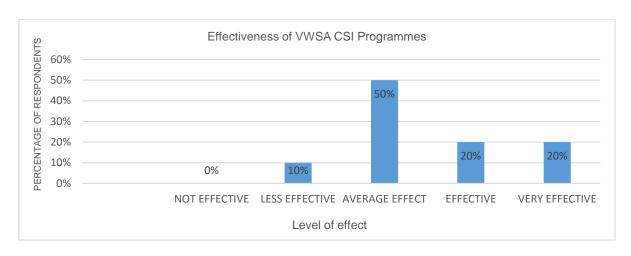


Figure 4.5: VWSA Employees' views of perceived effectiveness of VWSA's CSI programmes

Figure 4.5 above speaks to the core of this study. That is, to look at the effectiveness of VWSA CSI programmes. These are the findings based on the responses that were drawn from the company personnel.

Ten percent of VWSA employees seem to think that the VWSA CSI programmes are less effective. The majority of the view at 50% holds that these programmes have an average effect. The remaining 40% is equally split between those who hold the view that these programmes are effective and the latter 20% who deem the programmes to be very effective.

The next figure delves into the impact areas of the CSI programmes from the VWSA employee sample. According to Figure 4.6 below, 90% of the respondents are of the view that CSI programmes have an effect on improving employee and/or family members' education. The second highest percentage, that is 70%, believes that the community members are similarly benefitting from improved education due to the VWSA's CSI programmes.

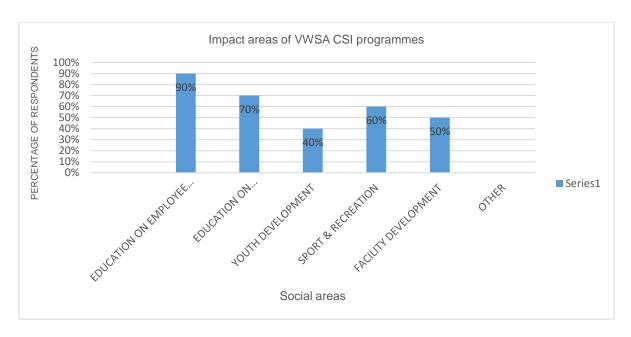


Figure 4.6: Feedback on VWSA CSI programmes on employees / family & community

Other impact areas are youth development at 40%, followed by sport and recreation at 60%. And lastly, facility development is at 50%. The numbers in this paragraph are reflected in Figure 4.6 above.

The preceding text and its accompanying diagrams complete the analysis of the results in section A.

The data analysis that follows relates to section B of this study. This analysis in section B stems from the questionnaires that were distributed amongst a sample from the Uitenhage community.

#### **RESULTS IN SECTION B**

#### 4.3 RESULTS FROM COMMUNITY SURVEY: QUESTIONNAIRES

The community questionnaire was also divided into three sections (See Appendix B). The results will be communicated systematically according to the sections of the questionnaire. Section one will provide brief background information of the respondents. Section two gives the resident-status of the respondents.

Lastly, section three provides the information relating to the community members' knowledge of VWSA's involvement in their community as far as their challenges are concerned.

# 4.3.1 Background information of the respondents

Like in Table 4.1 above, the aim of section one is to give brief background information of the respondents in the study. Table 4.4 below provides a configuration of the community respondents' background.

Table 4.4: Sample composition of community participants: Gender

Gender	Frequency	Percentage
Male	06	60
Female	04	40
Total	10	100

The majority of community respondents at 60% were male. This is represented in Table 4.4 above. The same Table also illustrates that the remaining 40% of the respondents consists of female community members.

The succeeding diagram, that is Table 4.5 below, focuses on the number of years that the respondents have been residents in Uitenhage/Kwanobuhle. The age of the residency starts from a minimum of a month to a maximum of over 20 years.

The information is important because the VWSA CSI programmes did not all start at the same time. Some programmes have been running longer than others.

It is submitted that the overall awareness of the VWSA's CSI programmes, is influenced by the varying length of the community sample's residency in Uithage/Kwanobuhle.

Table 4.5 below, contains various years of residency from the community respondents.

Table 4.5: Sample composition of community participants: Years residing in Uitenhage

Years	Frequency	Percentage
0-5	2	20
11 – 15	2	20
16 - 20	2	20
20+	4	40
Total	10	100

According to Table 4.5 above, only 20% of the respondents have been a resident in the community for up to a time period of five years. Another 20% have been living in the area for over 10 years but just under 16 years.

The Table also shows that the majority of respondents, at 40%, have been residents in the area of Uitenhage/Kwanobuhle for over of 20 years. Lastly, 20% have been in the area for between 16 to 20 years.

The following responses contained in Table 4.6 below, relate to the methods of income for the community respondents. The percentage for part-time employees stands at 10%. This is followed by the majority of permanently employed respondents at 60%.

Table 4.6: Sample composition of community participants: Method of income

Method of income	Frequency	Percentage
Part - time employed	01	10
Full – time employed	06	60
Other	03	30
Total	10	100

The remaining 30%, as is also reflected in Table 4.6 above, is divided by the respondents that are either not employed or who have casual or so termed "piece" jobs, the other fraction consists of students. It is submitted that this information is important, especially in weighing the effectiveness of the VWSA CSI programmes on unemployment. This will be dealt with later in Chapter 5 of this study.

The following part of the study gives feedback from the community members regarding the VWSA CSI programmes in their community. Figure 4.6 below, shows that the community members perceive that 80% of the programmes are concentrated on both youth development and education.

Community members' awareness regarding the VWSA employees' volunteer work concerning the CSI programmes in their community stands at 40%. Community members are also aware that 30% of the company's CSI programmes are directed at enterprise development. These figures are reflected in the immediate diagram below.

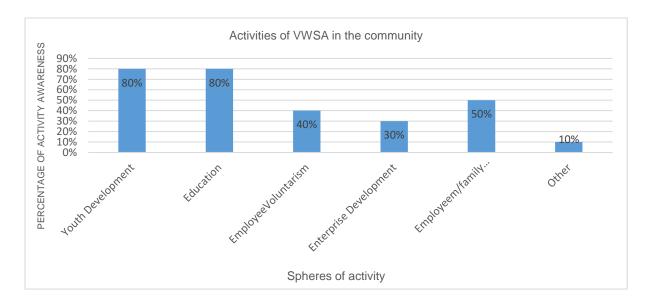


Figure 4.7: Community members' awareness of VWSA's CSI programmes in the community

Furthermore, 50% of the programmes go to employees of the VWSA and/or their family members. The other 10% perceive the CSI programmes going towards sport & recreation within the community.

Figure 4.8 below, contains some interesting information concerning the community involvement in the VWSA's CSI programmes. The responses shall be analysed below the Figure.

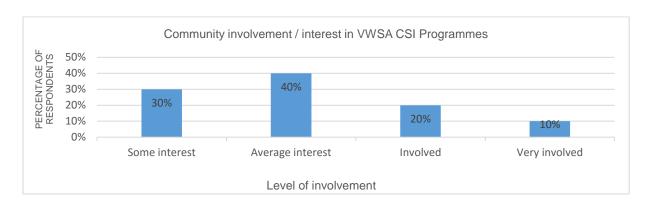


Figure 4.8: Community sample: Awareness of involvement in VWSA CSI programmes

According to Figure 4.8 above, 30% of the community members show some level of interest in CSI programmes. The figure also reflects some improvement because 40% of the respondents have an average interest in these CSI programmes.

Lastly, 20% of community members indicate that they are involved in CSI programmes. Ten percent marked a very involved level of activity in the VWSA CSI programmes. What follows are the responses regarding the community perceptions on the effectiveness of VWSA CSI programmes.

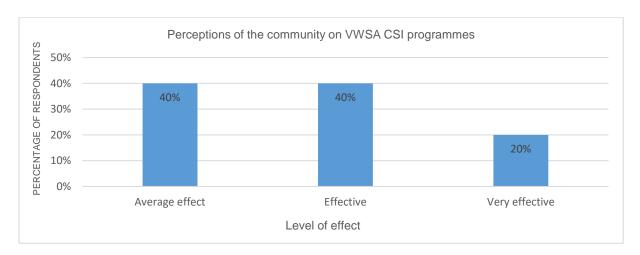


Figure 4.9: Community sample: Perception of the community on VWSA CSI programmes

Figure 4.9 above, indicates that 40% of community members is of the opinion that VWSA CSI programmes have an average effect on their community. Another 40% indicated that these programmes are effective beyond average. The remaining 20% held the view that these programmes are very effective.

One will notice that the next part of the responses, as reflected in Figure 4.10 below, slightly resembles CSI activities as reflected in Figure 4.7 above. Both figures deal with the awareness by the community members of the CSI activities that are carried out by VWSA.

Figure 4.7 above, depicts the areas that community members are aware of in terms of where the VWSA CSI programmes are being conducted. The similarity of Figure 4.7 to Figure 4.10 is that they reflect both community awareness and the level of intensity in such involvement and activity.

For example, community members are aware that youth development and education receive a lot of attention as far as the VWSA CSI programmes are concerned. This is reflected in the 80% awareness levels in both Figures 4.7 and 4.10.

The reason for the similarity was to test the consistency in the responses and to further add another element of CSI activity that was worth researching, which is, sport & recreation. This was due to the observations made by the researcher at the Love Life Youth Centre in Uitenhage.

Observations made by the researcher whilst at the Love Life Youth Centre, related to free health services that were provided to the community at large. VWSA is involved in providing health services as one of its CSI programmes. Yet this researcher limited this work to only three namely, education, youth development, and enterprise development.

The researcher observed that VWSA through Love Life as one of its CSI partners, worked with the Rotary Club to provide free health services to community members. This is termed the Rotary Health Week. The services included health issues related to women's health for example, scanning for breast cancer symptoms. Other general health services included hearing and eye tests. The activities set for that particular week, was targeted to reach about 700 community members per day.

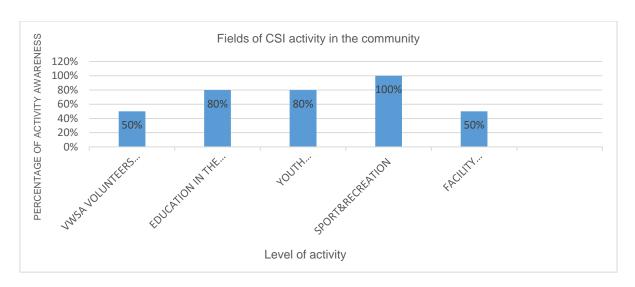


Figure 4.10: Community sample: Fields of CSI activity in the community

As cited above before a brief explanation regarding the observations at the Love Life Centre, According to Figure 4.10 above, CSI activities in the fields of education and youth development, continued to both score 80% of community members' awareness in these particular programmes. This is evident in both Figures 4.7 and 4.10 above.

There was a 10% difference in the programme as far as the VWSA employee voluntarism was concerned. Sport & recreation, which fell under the field of "other" in Figure 4.7 above, scored a 10% awareness level when presented as an independent CSI programme.

Lastly, another level of activity that was added to Figure 4.10 above is facility development. This CSI programme scored a 50% response as an indication of the community's awareness regarding the VWSA CSI programmes. This is of interest since it is also one of the VWSA CSI programmes that were not the focus of this study. It can also be submitted that it is one element of CSI activity worth researching.

The next diagram, Figure 4.11 below, is feedback concerning the community's observations regarding the positive changes that were brought about by the VWSA CSI programmes. Note that the same programmes, as reflected in Figure 4.10 above, remain the same as in Figure 4.11 below. The only difference is the frequencies with regard to the respondents' feedback.

According to Figure 4.11 below, 60% of community members perceived that the VWSA CSI programmes contributed towards the education of VWSA employees

and/or their families. Thirty percent of community respondents are also of the view that these programmes have brought change in the level of education towards community members.

Moreover, and still as reflected in Figure 4.11 below, 30% of the community held the view that youth development has improved since the inception of the VWSA CSI programmes. Another significant community observation was noticed in the field of sport & recreation.

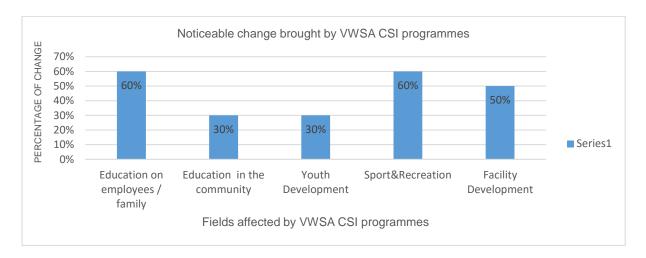


Figure 4.11: Community sample: Positive change brought by VWSA CSI programmes

Lastly, community respondents noted that facility development also had a moderate change that was brought on by the VWSA CSI programmes. The community respondents' observation stands at 50% as reflected in Figure 4.11 above.

The foregoing data analysis concludes sections A and B of the questionnaires that were distributed in the Uitenhage community. Section C below, delves into open ended questions and responses that formed a part of the questionnaires that were distributed both at VWSA and in the Uitenhage community.

#### RESULTS IN SECTION C

Section C below is concerned with the coding of responses from open-ended questions. According to Palanca (2012), an open-ended question is a unique arrangement of several or solitary coded enquiries to which a literal answer is awaited.

The sections that follow address responses from open-ended questions in the questionnaires. However, they only include responses to questionnaires that were distributed in the Uitenhage community. All responses to open-ended questions in the questionnaires that were distributed at VWSA, remained neutral, which means that no comments were inscribed on spaces provided for answering these open-ended questions.

Section 4.3 below looks at the responses to questions from the Uitenhage/Kwanobuhle community.

# 4.4 ANALYSIS OF OPEN-ENDED QUESTIONS FROM UITENHAGE COMMUNITY SAMPLE DATA

The questionnaire had four open-ended questions. The sub-sections to follow explore the responses given to all of these questions. The first analysis comes from question 11, followed by questions 13, 14, and 15 of the same questionnaire.

# 4.4.1 Responses from question number 11 on the community questionnaire

The following data analysis looks at the responses to open-ended questions. The questions and responses are part of the questionnaires that were distributed within the community. The researcher created coding sets by scripting terms and expressions to signify patterns and themes. The same approach was adapted to all other corresponding Tables.

Table 4.7 below, provides a sample report from the responses that were gathered in question 11 from the community questionnaire. The Table provides a summary of the responses to Question number 11 on the questionnaire: That is, whether VWSA CSI programmes have any impact on individual respondents from the community sample.

Table 4.7: Coding from community survey responses – Question 11

	Question: How do CSI programmes impact on you as an individual?	Category	Sentiment
1	Personally they have afforded me the opportunity to improve my communication and interpersonal skills. I have had the opportunity to meet and work with new people and I have been working with children, helping them to learn.	<ul><li>Opportunity</li><li>Improved skills</li><li>Interaction</li></ul>	Positive
2	It helps me through the Love Life Centre. I volunteer there.	Volunteerism	Positive
3	To know that someone can make a change in my community is great. To be part of the change made is a great thing to do. It is good to make a change when the power of will is there.	<ul><li>Change</li><li>Community</li></ul>	Positive
4	They make me see possibilities and all my limitation, what can I achieve my worth and the extent of my abilities.	<ul><li>Possibilities</li><li>Achievement</li></ul>	Positive
5	It impact me because this year (2016) I was able to have work experience.	Work experience	Positive
6	Not aware of any impact.	Lack of awareness	Neutral
7	It does not impact me because I am not involved in programmes.	No impact	Negative
8	There is no direct impact on me.	• N/A	Negative
9	No comment	• N/A	Neutral
10	No comment	• N/A	Neutral

According to Table 4.7 above, 80% of respondents offered comments. Only half the feedback is positive regarding the impact that VWSA CSI programmes have on them individually.

The positive comments with regard to VWSA CSI programmes, relate to the opportunities that the programmes offered. These were recorded as improved skills,

interacting with people, and volunteering at one of the VWSA CSI partner programmes.

Furthermore, positive responses included the community respondents' observation of changes brought in their community by these VWSA CSI programmes. These programmes also opened up possibilities for community members to realise their limitations and abilities. Last but not least, the programmes also provided some work experience for the community respondents.

Negative comments came in the form of these programmes having no effect (20% of the community respondents). Their comments ranged from the programmes having no impact due to the respondents' non-involvement, to having no impact at all.

# 4.4.2 Responses from question number 13 on the community questionnaire

Table 4.8 below, contains sample coding to responses that were given to open-ended question number 13 from the community questionnaire. The question asks community respondents to indicate what other programmes can be employed to assist the community.

The question and responses are reflected in Table 4.8 below, as well as the category under which such responses were coded.

Table 4.8: Sample coding from community survey responses – Question 13

	Question: What other programmes do you think can be employed to assist the community?	Category
1	They could train more of the community members to get them ready for work at firms such as VW.	<ul><li>Community</li><li>Employment</li></ul>
2	Arts and culture programmes.	Social programmes
3	Young women empowerment.	Empowerment
4	No comment	• N/A
5	No comment	• N/A
6	Clean-up projects.	Clean-up
7	No comment	• N/A
8	No comment	• N/A
9	No comment	• N/A
10	Crime prevention programmes working with the SAPS.	Crime prevention

Table 4.8 above, gives a summary of the responses relating to question 13 of the community sample survey. The question, as well as the category relating to the responses, is also reflected in the Table.

Table 4.8 illustrates that 50% of the respondents gave positive responses to the question. These rank from programmes being structured in such a way that they involve training of more community members; inclusion of social programmes like arts and culture; and young women empowerment. Comments also include VWSA being able to work with the South African Police Service (SAPS) in combating crime.

The remaining 50% of the responses were neutral. The category is chosen as a result of there being no comment derived from the respondents.

# 4.4.3 Responses from question number 14 on the community questionnaire

Table 4.9 below, contains sample coding to the responses that were given to openended question number 14 from the community questionnaire. Like its predecessors, the question wants community respondents to reveal what proposed changes could possibly be brought about by the respondents' suggestion and/or comments in question number 13.

Table 4.9: Sample coding from community survey responses – Question 14

	Question: What changes do you think your suggested programmes would bring?	Category	Impact
1	More people would have the necessary skills to get employed. Therefore, when companies are looking for employees it will not be difficult to find people with required skills.	<ul><li>Skills acquisition</li><li>Employment</li></ul>	Positive
2	Reduce rate of drug abuse. Increase employment by people getting skills and securing their craft.	<ul><li>Reduce drug-abuse</li><li>Increase employment</li><li>Skills acquisition</li></ul>	Positive
3	The youth would get better jobs in the future. The generation of our country will be better than ever.	<ul><li>Youth</li><li>Employment</li></ul>	Positive
4	Support for graduates and non- graduates with their ideas (business and education)	<ul><li>Business support</li><li>Education support</li></ul>	Positive
5	No comment	• N/A	Neutral
6	Currently Uitenhage. (Town Centre and surrounding areas) need to be cleaned (rubbish). By doing this, Uitenhage will once again be restored to the town it used to be. This will have a positive outcome on businesses; big and small.	• Clean-up	Positive
7	No comment	• N/A	Neutral
8	No comment	• N/A	Neutral
9	No comment	• N/A	Neutral
10	It will reduce the crime rate.	Drop in crime	Positive

Below is a summary of the results as it is reflected in Table 4.9, above. The Table also includes categories that are coded from the survey responses.

According to Table 4.9 above, there were positive sentiments from the community responses. Community respondents are of the view that their suggested programmes, additional to the existing VWSA CSI programmes, can bring about the acquisition of skills and that once these skills are acquired then people would be eligible for employment.

Moreover, respondents believe that their added suggestions could bring about a reduction in drug abuse within the community; they can increase employment opportunities; and provide the necessary employment skills.

The positive comments also include future employment opportunities for the youth in particular. Other suggested programmes include those that will support the community members' business ideas as well as educational support.

Other views are based more on active community involvement in reducing crime in Uitenhage. The last suggestion is that VWSA must partner with the SAPS to combat crime. These suggestions account for 60% of positive sentiments, with the remaining 40% of the community respondents being neutral in the sense that no comments were provided.

Section 4.4.4 below deals with the responses to the final open-ended question in the questionnaire that was distributed and received from community respondents. Table 4.10 below details comments and/or responses that were obtained in relation to question number 15 in the questionnaire.

# 4.4.4 Responses from question number 15 on the community questionnaire

This section reflects the community responses from question number 15 of the questionnaire. Table 4.10 below, is structured in the same way as Table 4.9 above that is, the question; category and impact/sentiment columns.

Table 4.10: Sample coding from community survey responses – Question 15

	Question: What improvements, if any, would you recommend to be made to existing community programmes?	Category	Sentiment
1	No comment	• N/A	Neutral
2	Market the community programme via social media. Inform schools and churches about the programmes.	<ul><li>Community</li><li>Marketing</li><li>Social media</li><li>Information</li></ul>	Positive
3	Hand skills for people with no matric or jobless.	<ul><li>Skills</li><li>Joblessness</li></ul>	Positive
4	Better implementation of programmes, more youth involved and equality.	<ul><li>Implementatio n</li><li>Youth</li></ul>	Positive
5	No comment	• N/A	Neutral
6	No comment	• N/A	Neutral
7	Community based activity or sports e.g. fun runs.	<ul><li>Community</li><li>Activities</li></ul>	Positive
8	No comment	• N/A	Neutral
9	No comment	• N/A	Neutral
10	Nothing I can think of.	• N/A	Neutral

Question 15 wants community respondents to reveal what improvements they would recommend to the existing VWSA CSI programmes. The summary to comments and/or responses given in Table 4.10 above is given below.

According to Table 4.10 above, 40% of the community respondents gave positive comments to this question. The remaining 60% proffered no comment thereby remaining neutral. The 40% is of the view that the knowledge about these programmes can be improved by marketing, such as through social media.

Community respondents also believe that the inclusion of programmes that enhance hand skills could provide opportunities to community members who do not hold a matric qualification as well as those who are currently unemployed.

Other community respondents submit that the VWSA CSI programmes can be better implemented in a way that includes more youth in the community. Lastly, some respondents feel that more community sport activities, like arranging fun runs, would improve the visibility of the VWSA CSI programmes.

The foregoing analysis concludes section C of this chapter. Section C dealt with the data analysis of the responses to open-ended questions namely, questions 11, 13, 14, and 15 of the sample chosen in the Uitenhage community.

The following section, Section D, concludes Chapter 4 by analysing open-ended responses from semi-structured interview questions. These interviews were conducted with the VWSA CSI partners. These include managers at different levels at the Love Life Centre and at the EDC.

#### RESULTS IN SECTION D

This section will give an outline concerning the interviews with the three managers that were interviewed. These managers work at the VWSA CSI partner organisations based in Uitenhage/Kwanobuhle where the company conducts its operations.

One of the goals of conducting these interviews was to measure how VWSA and its CSI partners relate to the aim of this study. The aim of this study is to investigate the effectiveness of corporate social investment on the social challenges faced by communities in the Nelson Mandela Metropolitan Municipality (NMMM). VWSA was chosen as a case study since it is one of the main motor vehicle production plants in the municipality.

These interviews were further conducted with the objectives of this study in mind. The objectives of this study are to investigate programmes that are undertaken by VWSA in addressing the social challenges that are faced by communities in the NMMM; to understand the involvement and benefits that accrue to the community in so far as identifying social challenges addressed by the VWSA CSI programmes; and to determine the effectiveness of the VWSA CSI programmes.

The results of the interviews in relation to the objectives of the study are discussed below. These results also incorporate the responses relating to the aim of this study.

Before we delve into the interview responses, it is important to recap the relationship between VWSA and its CSI partners. VWSA, through its Volkswagen Community Trust (VWCT), runs CSI activities in the NMMM community.

VWCT is intended to assist South Africans and developing society. VWCT has six focus areas namely, education; youth development; health; community and wellbeing; enterprise development; employee volunteerism and the environment (Volkswagen Community Trust, 2016).

This study focuses on three of these VWCT focus areas namely, education; youth development; and enterprise development. Education and youth development are attended to through the relationship between VWSA and the Love Life Youth Centre (YC). VWSA has partnered with the EDC in order to attend to the entrepreneurial side

of the CSI programmes. Having described the above relationships, the section that follows looks at the responses from the managers at these VWSA CSI partner organisations.

Note that the responses are dealt with according to each interview participant and under each research objective of this study. Sections 4.4.5 to 4.4.7 below reflect each research objective of this study as well as subsequent responses from the interviewees.

# 4.4.5 First objective: to investigate programmes undertaken by VWSA in addressing social challenges faced by communities in the NMMM.

# 4.4.5.1 Interview responses from Participant 1

The interview started with a question relating to the co-operation between the Youth Centre and VWSA. The first question was posed to understand this co-operation. The results were recorded and transcribed. Participant 1 granted permission to this researcher to record the interview.

The following text reveals the responses provided through the interview. From the onset, it was established by the researcher that the Love Life Centre in Kwanobuhle is sponsored by VWSA through the VWCT. This is what participant 1 had to say in this regard:

"VW saw a gap in terms of young people, in terms of youth leadership development they felt that they needed to do a baseline study into the community of Kwanobuhle through the VW Community Trust" (Participant 1).

From the same interview it was established that VWSA invested a substantial amount into the Love Life project. Participant 1 then proceeded to elaborate on the baseline study and the cash flow as follows:

"From that baseline it resulted into a project amounting to a certain amount of money through the VWCT. The Love Life building was allocated 50% of the money invested into the project, the remaining half went into programmes on youth leadership" (Participant 1).

It can be assumed that by its very nature, any Youth Centre should focus on the youth. Participant 1 was requested to elaborate on the activities that are carried out at the Youth Centre. From the responses, one could identify programmes that are designed to benefit the youth. The following responses are as quoted from participant 1:

"The centre focuses on young people between the ages of 12 years to 25 years. We are saying young people need to make a move with their lives. Young people need to make sound decisions. Young people really need to look into the future even if your background is whatever you need to believe that your future does not depend on your background" (Participant 1).

One of the programmes that were mentioned during the interview focused on identifying opportunities and also the importance of education. Participant 1 felt strongly about these issues as is reflected from the following reply:

"In terms of education for instance, we have programmes that we are running in the centre. And some of these programmes are in partnership with the department of education especially with the schools that we have around the area. Our programmes we are empowering about 22 schools within the Kwanobuhle area" (Participant 1).

Participant 1 also indicated that there are other programmes that focus on younger children below the age of 12. As indicated earlier in the text, the Youth Centre focuses on youth between the ages of 12 and 25 years. Yet as it would appear from the response from participant 1 below, provision is also made for other age groups:

"That is why we are also hosting a programme in the centre that is called Nalibali. We are able to also, as much as we said we accommodate kids from the age of 12 years upwards, but those that come that are younger they will fall into this programme. We help them to be able to read, kids take the books home and many other things" (Participant 1).

The Youth Centre also provides another programme which is more inclined in assisting Love Life programme participants to earn a living albeit for a predetermined period of time. Participant 1 elaborated on this programme:

"We have a program that we call Ground Breaker program where we take young people that have matriculated. We give them programs in terms of facilitation, presentation, computer skills, media, and all those things" (Participant 1). "Through VW Community Trust we are able to employ 10 of them every year for the whole year. And also remember now we also give them a skill. But the selection is very strict now. They must apply and be selected. And there is a stipend paid to the Ground Breakers. They receive a cell phone, cell phone allowance, clothing, and at the same time they'll receive a bicycle this year each of them" (Participant 1).

There were further responses that flowed from the initial question on the focus and programmes run at the Youth Centre. They include presenting employment skills in the field of media, filming, and journalism.

The following responses from participant 1 are of particular relevance:

"Programs that present employment opportunities are in the line of our media. You know we have our media room here where we are teaching our young people to be able to shoot short films, short stories, edit those stories at the same time. We are able to teach them that skill you know and also we give them that soft skill to be able to present themselves. That on its own has bagged so much fruit in terms of us because we started what we called community journalism with our young people" (Participant 1).

In the concluding remarks concerning some of the programmes offered at the Youth Centre, participant 1 was also able to give another programme that is offered at the centre. According to participant 1, the Youth Centre also offers computer classes to the community at large. This was evidenced in the following response from participant 1:

"At the present moment also through our program we have a basic computer class that we are running for free for the entire community of Kwanobuhle. Where we are saying you are not doing anything, you have never learned a computer, come and we do run this program for three months so that at least when a young person gets to be employed anywhere we even can give them a certificate that even if it's not accredited, but people recognise that it's a prior learning".

It can be submitted that from the responses provided by participant 1, the Youth Centre does have various programmes that benefit the community. Responses were also sourced from participant 2 who also works and runs the Youth Centre. The following were the responses in relation to the first objective of this study.

## 4.4.5.2 Interview responses from Participant 2

The responses from participant 2 are more indicative of a respondent who works directly with the VWSA CSI programmes. Although there are similarities in some of the responses between participants 1 and 2, the latter's responses speak to more facilitation than the strategic level experienced from participant 1.

Note further, that the responses from participant 2 relate mostly to the first research objective of this study which is, CSI programmes undertaken by VWSA in the community. The responses from participant 2 were as follows:

"The programmes undertaken at the Youth Centre have to do with youth leadership development. The aim is to develop young people not only in terms of education, but also on how to access opportunities" (Participant 2).

Participant 2 gave further information on other programmes that are run at the centre. These other programmes appeared to be more geared toward life skills and awareness to the youth regarding life challenges. This is what participant 2 had to say regarding these programmes:

"In the schools we have two programs, one of the programs we do is Living My Life; it is more on development of a young person helping them with the low self-esteem and also looking at career choices when it comes to the subjects they take to just open their eyes to say that if you are going to high school and this is the subject you going to take, this is the field you might go into" (Participant 2).

"Then the Love & Life programme is about the physical changes in their bodies. The changes during adolescence to puberty to being a teenager and a young adult. How to deal with those changes because we know sometimes in households parents get too busy to talk to their children. So Love Life is like trying to bridge that gap to be the youth worker in between the family and the household and peer-on-peer education has proven to have so much more effect than when a young person goes to speak to a parent" (Participant 2).

Participant 2 further provided insight into the aim of the Living My Life programme. It can be submitted that this part of the programme plays an important part given the scourge of HIV/AIDS in SA. This is what participant 2 had to say in this regard:

"Our target age group that we are working with is 12 – 24 year olds. Reason being stats is showing that there is not a decrease or decline when it comes to HIV in that age bracket because that is where they are leaving primary

school, going to high school, going to university. So if we take those young people, they are educated, they are involved in their community, they are active citizens. They are the young people that is going to be the adults of tomorrow"

"So if they are HIV negative it means they are going to have an HIV negative future by working with the 12 – 24 year olds. So that is why our programmes are based more specifically on them to keep them HIV negative so that they can be HIV negative parents" (Participant 2).

According to participant 2, other programmes run at the Youth Centre are conducted at the Youth Centre's Vitality Room. This is how participant 2 elaborated on the Vitality Room:

"This is where a permanently employed professional nurse attends to medical needs of the youth from the community. The nurse is permanently employed at the Youth Centre and for the Youth Centre".

"The Vitality Room helps with family planning for young people. It also serves for HIV testing. Moreover, it provides pre and post HIV counselling. All these activities are conducted at the Vitality Room, also assist a local community medical clinic with statistics relating to some of these health issues. These programmes fit well with the VWSA strategy of addressing HIV education, literacy, and youth development" (Participant 2).

As indicated from interview responses of participant 1, the Youth Centre also offers free computer classes. Participant 2 further indicates that these classes are extended to adults from the community that have never before had the opportunity to learn how to use a computer.

# According to participant 2:

"We also do offer computer classes for free, so with our computer classes that also brings in more and more young people. And it is not only young people because people at the age of 37, 38 that is working that has never done computer also come and ask to be part of the classes because we do offer it freely".

Interview responses regarding this study's first objective were obtained from participant 3 in section 4.4.5.3.

Section 4.4.5.3 below, reflects the responses from the interview questions with participant 3. These responses relate to the first research objective of the study, as was the case with participants 1 and 2.

## 4.4.5.3 Interview responses from Participant 3

Participant 3 is part of the management team that runs the Enterprise Development Centre (EDC) in partnership with VWSA. The EDC conducts enterprise development for VWSA. One of its tasks is to develop entrepreneurs and to help them grow their enterprises. This was the initial response from participant 3 when asked about the role of the EDC in relation to VWSA. Participant 3 further provided the following information:

"That was basically about two or three years ago when we started in April 2011 that was the thinking; go give the money to Raizcorp let them do enterprise development so it did not really matter what type of company was involved as long as they spent their three percent they can get their points and we would enterprise develop people to grow their companies. And so that changed and we were told about a year ago to start looking for engineering type of companies, manufacturing type of companies. And then last year (2015) with the new Black Economic Empowerment codes changing a bit. The enterprise development split into what they call supply chain support. So there was a little bit for enterprise development and the other one was supply chain support so we had to get entrepreneurs onto the program that was going to supply VW" (Participant 3).

There was more information that was shared by participant 3 in relation to other focus areas of the EDC. According to the information provided during the interview with participant 3, the EDC also teaches its programme participants about other business related issues. For example, there are programmes related to finance, marketing, sales, and entrepreneurship. The following answer from participant 3 clarified this aspect:

"In our process of selection it is part of our due diligence and it is ok if it is like that because we've got to separate the business and so with the guides we've got the finance guide and we've got the bookkeeping system so the guys will bring all their paper work and give it to the bookkeeper. She produces the management accounts. The management accounts go to the finance guide and they talk finance every month with full up-to-date management accounts. So there the separation is clear" (Participant 3).

Participant 3 continued to elaborate on other programmes that are carried out by the EDC:

"It is important to note that the EDC also does business incubation, called "prosperators". There is approximately seven of these prosperators in SA. And we realised that the word "incubator" was wrong. We call it prosperators. So now we've got about seven or eight prosperators in SA. There is one in Angola. There's a whole bunch that they want for Nigeria" (Participant 3).

Participant 3 also gave important information regarding the duration of the EDC programmes and the reasons behind the duration. This was the response from participant 3:

"The program is for one year at a time, but you get invited for your second year, and you get invited for your third year. So many of the companies stay for three years. But for instance there is learning/training, and there is guiding, which you might understand as mentoring. So we don't mentor and we don't coach. We guide. So there is a big difference with the guides" (Participant 3).

Having looked at the responses from the interview participants in relation to the first objective of this study, the following section continues to interview the responses in relation to the second research objective of this study, as reflected in section 4.4.6 below.

4.4.6 Second objective: To understand the involvement and benefits that accrue to the community in as far as identifying social challenges addressed by VWSA CSI programmes.

# 4.4.6.1 Interview responses from Participant 1

Participant 1 provided responses to subsequent questions that were in line with establishing the objectives of this study. The following responses were in relation to the second objective of the study namely, to understand the involvement and benefits that accrue to the community in as far as identifying the social challenges addressed by VWSA CSI programmes. The responses from participant 1 indicated that some of the CSI programmes are held in partnership with government departments.

According to participant 1:

"...then that way it helps them so that is why you'll see us we are in partnership with the department of health, we are in partnership with the department of education, we are in partnership with social development" (Participant 1).

Participant 1 elaborated further on the Youth Centre's involvement with the department of education, especially schools:

"Our Ground Breakers are able to go into schools, work hand-in-hand with the department of education, with the Life Orientation (LO) teachers and run programmes that will be really good for young people" (Participant 1).

According to participant 1, the YC takes its programme participants through Sector Education and Training Authority (SETA) accredited courses on business management, and sport amongst others. This is how participant 1 elaborated on the issue:

"The Youth Centre that we have here in Kwanobuhle is a flagship of Love Life where some of these young people we are able to take them through SETA accredited courses on business management, on sport, we have done a lot of those programs" (Participant 1).

Participant 1 also gave some background information regarding the Youth Centre and its ties with the community: "The Youth Centre was opened by Minister Aaron Motsoaledi because one of the major objectives of Love Life that VWSA brought in is youth leadership development. The Youth Centre also aims at empowering young people to be HIV free. That is why there is a partnership with the departments of health, education, and social development" (Participant 1).

On the day of the interview, the researcher noted a hype of activity at the Youth Centre. This is the same place where the interview was conducted. Participant 1 had this to say regarding the events that were unfolding on the day:

"The Youth Centre hosted Health Week in partnership with the Rotary Club. This partnership has been in existence for approximately four years. During the Health Week, the centre welcomes all community members to access health related services. For example, there are hearing, eye-sight, and breast cancer tests being conducted. All these services are provided at no cost to the community" (Participant 1).

Participant 1 concluded this part of the interview by adding that the centre runs literacy programmes:

"VWCT also conducts literacy programmes in the very same community and as mentioned earlier, the Youth Centre also carries out literacy programmes within the same community" (Participant 1).

The next section looks at the same research objective with interview responses from participant 2. This is reflected in section 4.4.6.2 below.

# 4.4.6.2 Interview responses from Participant 2

According to participant 2, the Youth Centre has programmes that are focused on local schools. These are age specific programmes conducted at various schools in and around the community (Participant 2).

Participant 2 added the following to the response in relation to the same question:

"When the centre started it was a youth centre but now it is like a community centre. We do have a lot of involvement from the ward councillors, from the clinic next door, from community members. The different stakeholders around are organisations whose buy-in we have. These stakeholders are also invited to participate in the youth centre programmes. The community's involvement is evident in the absence of no single break-in since the Youth Centre became functional".

The foregoing responses stem from what participant 2 contributed as far as the second study objective is concerned. Next are the interview responses from participant 3 also in relation to this study's second objective.

### 4.4.6.3 Interview responses from Participant 3

From the onset, participant 3 projected a broad vision regarding the EDC's involvement in VWSA CSI programmes that are aimed at building the community. This broad vision speaks to the EDC programmes that are not merely directed at local SA competitors.

Participant 3 submits that the focus is more about the SA motor industry competing with its international counterparts. This was participant 3's response in this particular regard:

"If you take just a step back, it is not VW against Ford, or VW against Toyota whatever, it is actually SA motor industry versus Spain, SA motor industry versus China. Their thinking is if we can get these companies to grow and let's just say they can develop a manufacturing company that stamps all the parts for the engine and the brackets and all of that and they can give him work and Ford can give them work and everybody can give them work he's going to become more and more efficient".

Participant 3 also highlighted that the EDC and VWSA do social activities in the community. They provide assistance to schools. The idea is to help entrepreneurs grow in order to address the issue of unemployment levels in the community.

The functions of the EDC are channelled through community radio stations, and also by launching events that would make communities aware of the EDC. There are also scouting teams that go around the community looking at what local/township businesses do (Participant 3).

Participant 3 also revealed other activities geared towards entrepreneurs run by other entities. For example the "pitch & polish" initiative sponsored by Engen:

"And also this "pitch & polish" on Saturday. It is a national competition that is sponsored by Engen. And what they do we go around the country and teach people how to pitch their businesses. The aim is to teach entrepreneurs to pitch their business ideas (Participant 3).

Participant 3 also mentioned that the EDC works with the South African Revenue Service (SARS) to assist entrepreneurs with tax related incentives and compliance. This is how participant 3 elaborated on the SARS issue:

"Plus also you want to be SARS compliant. Because SARS can be your friend instead of your enemy. They can help you buy vehicles, they can claim Value Added Tax (VAT) on new vehicles. We also know all of the small business tax incentives for youth and for depreciation charges. You can accelerate your depreciation if you want. So all of those tax incentives are clearly to help them become compliant because you cannot supply VW if you are not compliant. If you do not have tax clearance certificate, a Black Economic Empowerment certificate, a quality certificate, you are not going to make it. So that is what we do" (Participant 3).

Lastly, and according to participant 3, there is collaboration with other entities that are more inclined to what the EDC is doing. The EDC does make room for collaboration.

The EDC has also received some assistance from Love Life Youth Centre in Kwanobuhle (Participant 3).

The following section looks into responses as provided in relation to the third objective of this researcher's study. This is reflected in section 4.4.7 below.

# 4.4.7 Third objective: to determine the effectiveness of CSI programmes employed by VWSA

# 4.4.7.1 Interview responses from Participant 1

This question tries to understand the real effects brought about by CSI programmes in the Uitenhage community. This is the same community where VWSA carries out its operations in the NMMM.

The following responses were from the interviews that were conducted with all participants in the study. The responses are in order from participant 1, 2 and 3.

Stemming from the question of how VWSA CSI programmes, in conjunction with Love Life, present employment opportunities, participant 1 was excited to highlight how some of their programmes' participants managed to find employment in various sectors. These opportunities were as a result of media and journalism activities that were presented at the Youth Centre. This is what participant 1 shared:

"We can testify today we have guys that are coming from our media room that are with Bay TV; etv; Fort Hare FM; Nelson Mandela University radio, you know, and many others that are already in Jo'burg studying through Boston Media College from there. So, it has opened so much opportunity for young people that were sitting on the corner doing nothing" (Partcipant 1).

Additional to this, participant 1 indicated that the Youth Centre issues certificates for its programmes. Although these certificates are not accredited, they nevertheless, can serve as recognition for prior learning (Participant 1).

Participant 1 also mentioned something which is of importance relating to this research objective. The participant mentioned that through the VWCT, the Youth Centre is able to employ 10 young people every year for a period of 12 months (Participant 1).

Furthermore, those that are employed for the 12 month period get a monthly stipend. They also receive a cell phone and cell phone allowance, as well as a clothing allowance (Participant 1).

The VWCT also ensures the sustainability of its programmes. They do this by constant evaluation and monitoring of the Youth Centre programmes. The evaluation and monitoring serves to appraise whether the programmes are still heading in the right direction or whether there is a need to change the course (Participant 1).

According to participant 1, VWCT also provides the Youth Centre with resources to execute its functions. VWCT provided the Youth Centre with a vehicle in order for the programme managers to fulfil their roles towards the CSI programmes (Participant 1). This is what participant 1 highlighted in terms of resources:

"And more importantly, though, with this project we were also given a vehicle from VW to be able to get from point A to point B without any hassles. And other extra things they do outside of the contract that they have with us" (Participant 1).

# 4.4.7.2 Interview responses from Participant 2

Participant 1 indicated in the third last preceding paragraph that VWCT keeps an eye on its CSI partners. This is further emphasised by participant 2. The latter submits that in order for the programmes to be effective, VWCT expects the Youth Centre to bear accountability with regards to the funds allocated towards CSI programmes (Participant 2).

Furthermore, there is a sense of change with young people. The Centre does not invite young people, yet they do come voluntarily:

"Generally, there is a sense of change even with young people, because at the centre we do not invite young people, young people come here voluntarily" (Participant 2).

Lastly, and still in relation to the third research objective of this study, participant 2 is of the view that a lot has changed in the community. There is a lot of upliftment as far as young people are concerned. This was expressed as follows by participant 2:

"So, I think in general and the area that we are in, a lot has changed in the community. I think there is a lot of upliftment and we also do have a few

success stories about young people that have been through the centre that is somewhere else now. So we are trying our best that if we're taking a young person from here we can at least uplift them to somewhere else" (Participant 2).

The responses from interview participant indicate success stories of young people who have been through the VWSA CSI programmes. The final response, in connection with the third objective, is given by participant 3. Section 4.4.7.3 below, details these responses.

## 4.4.7.3 Interview responses from Participant 3

Participant 3 indicated figures, regarding the outcomes of the EDC's activities as far as enterprise development is concerned. The following responses are from participant 3:

"So at the moment for instance this group of entrepreneurs is growing at 54% in turn over (in average), and 45% in employment. So we have created 238 jobs. The turnover of this group is substantial in terms of Rand value. So what is happening is that the impact on the community is a lot because there was some study done on for every person employed in SA they support 3.2 people so if we've got 238 new jobs times 3.2 that is the impact into the community I think something like 1800. So in essence the small group is supporting the community" (Participant 3).

Participant 3 further added that from the 16 entrepreneurs that are in the EDC programme, approximately 8 are in the VWSA supply chain. In other words, 50% of VWSA suppliers came through the EDC corporate social investment programmes. One of those suppliers is Yenzo Manufacturing (Participant 3).

Statistics reveals that 96% of the entrepreneurs that have come through EDC continue to grow. Only 4% fail, mainly because entrepreneurs go back to being employed or their businesses simply close down (Participant 3).

The other indication of the effect of EDC programmes lies in the numbers. EDC receives approximately 40 applications per day. These are entrepreneurs that want to come onto the programme (Participant 3).

EDC also teaches entrepreneurs to separate personal assets from company assets. This way, they learn to stay afloat by being mindful of the dangers of extravagance.

This is done through the finance and bookkeeping guides that are enlisted into the programmes (Participant 3).

EDC continues to improve its processes in order to remain effective. The EDC has approached VWSA and there are plans in place to grow the manufacturing capabilities of entrepreneurs through the VWSA purchasing department (Participant 3).

In concluding the interview with participant 3, it was revealed that the EDC has done some form of de-risking of its programmes. The EDC has approached other companies in the NMMM to get involved in developing entrepreneurs (Participant 3).

All the above information concludes the analysis of this study. The chapter will conclude with a brief summary below.

#### 4.5 SUMMARY

This chapter consisted of a data analysis. The objectives of the study are to investigate the programmes undertaken by VWSA in addressing the social challenges faced by communities in the Nelson Mandela Metropolitan Municipality (NMMM); and to understand the involvement and benefits that accrue to the community in as far as identifying social challenges addressed by VWSA CSI programmes. Furthermore, the investigation also aims to determine the effectiveness of these social investment programmes.

Chapter 4 complied with the analysis processes suggested by Lacey and Luff (2001). For example, in analysing the data in this chapter, this researcher reviewed the data; kept the respondents anonymous; and identified themes from the data.

The chapter also dealt divided its data analysis into sections A, B, C, and D. Section A was about data analysis from the questionnaires that were distributed at VWSA. Section B was a data analysis from the questionnaires that were distributed in the Uitenhage/Kwanobuhle communities.

Section C on the other hand, dealt with the coding and analysis of the responses from the open-ended questions in the questionnaires that were distributed in the community. There were no responses from open-ended questions in the questionnaires distributed at VWSA and hence only an analysis from the questionnaires that were distributed and collected from the community were performed.

The final section, section D, analysed data from three interviewees who participated in the study. Their permission was sought and granted to record the interviews. Subsequently their responses were reviewed from the interview transcripts and allotted to the relevant study objectives.

The next chapter, Chapter 5, concludes the research. It looks at the findings of the study and also makes recommendations.

#### CHAPTER 5

### STUDY OUTCOMES, RECOMMENDATIONS AND CONCLUSION

### 5.1 INTRODUCTION

Chapter 1 introduced the topic and aim of this research. The topic and aim of this research is an investigation into the effectiveness of Corporate Social Investment (CSI) in addressing the social challenges affecting communities in the Nelson Mandela Metropolitan Municipality (NMMM).

Chapter 1 also presented the research objectives of this study, that is:

- To investigate programmes undertaken by VWSA in addressing social challenges faced by communities in the NMMM.
- To understand the involvement and benefits that accrues to the community in as far as identifying social challenges addressed by VWSA CSI programmes.
- To determine the effectiveness of CSI programmes employed by VWSA as part of its social investment.

Chapter 5, which is the current chapter, discusses and interprets the outcomes with relevance to the research objectives; and makes recommendations based on study findings.

#### 5.2 ANALYSIS OF RESEARCH FINDINGS

The discussion of the outcomes of this study starts with looking at the following objectives related to the study:

- The CSI programmes undertaken by VWSA,
- The community involvement and benefits in these projects, and
- The effect that these CSI programmes has had on the community.

The discussion of the above headings shall follow the same order as presented in paragraph 5.2 above. Recommendations shall then be made once inferences from the outcomes are concluded. These recommendations will follow in section 5.3 of this chapter.

### 5.2.1 CSI programmes undertaken by VWSA

According to data that was collected through questionnaires and interviews, VWSA, through the VWCT, runs several CSI programmes in the Uitenhage/Kwanobuhle community. Study participants revealed some of the programmes that they are aware of in their communities and also those within VWSA itself.

The following discussion will focus on the outcomes from VWSA respondents regarding the CSI programmes undertaken by their company. This shall be followed by outcomes from community members, and lastly, the discussion shall be around the responses from interviews with the VWSA CSI partner organisations.

# 5.2.1.1 Outcomes discussion according to survey results from VWSA employees

As submitted in the preceding paragraphs, what follows is a discussion of results from a sample of respondents at VWSA. Once again, the focus is on the CSI programmes undertaken by the company through its VWCT. The following discussion is also based on the results as reflected in Section A in Chapter 4.

Section three of the questionnaires distributed in this study, shows the responses given by a sample of respondents that were drawn from the VWSA. According to the data analysis in Chapter 4 of this study, all respondents, are aware that VWSA runs educational programmes as part of its CSI initiatives in the community.

Moreover, 50% of the respondents are aware that there are also CSI programmes directed at youth development; 40% of the respondents have knowledge of CSI programmes in enterprise development; another 40% of respondents indicated that the company also invests in its employees and/or family members' educational wellbeing. Lastly, respondents are aware that VWSA employees volunteer in helping their company to achieve some of its CSI objectives.

Thus, we can conclude that VWSA, through VWCT, does significantly invest in social programmes. It can be submitted that VWSA is on track with its CSI programmes in so far as education in the community is concerned.

This submission is based on the responses that were given regarding the VWSA employees' knowledge when it comes to the VWSA CSI programmes in the community. As mentioned earlier, all respondents from within VWSA are aware that their company invests in education.

Yet it is submitted that VWSA needs to work harder in increasing the level of awareness when it comes to the programmes associated with youth development, enterprise development, and employees' social wellbeing programmes. It should also encourage more of its employees to participate as volunteers in its CSI programmes.

These efforts would ensure that other employees, whose level of awareness is low on some of these CSI programmes, could be VWSA ambassadors in their communities. In this way, both employees and the community can benefit from these CSI programmes.

The preceding comments can be supported by survey results that were obtained in Chapter 4. Chapter 4 found that only 50% of the VWSA sample respondents show some form of interest in their company's CSI programmes, while a further 20% of the same sample displays only an average interest in these programmes. Lastly, only 30% of the sample is involved in its company's CSI programmes.

VWSA is therefore encouraged to revive its employees' interest in its CSI programmes by vigorously promoting these programmes to their employees.

# 5.2.1.2 Outcomes discussion according to survey results from community respondents

This section is based on a discussion of results from a sample of community respondents. Here also, the focus is still on CSI programmes undertaken by VWSA through its VWCT.

The following discussion is based on results from Section B in Chapter 4. The percentage figures presented below reflect the community's knowledge and/or awareness of the VWSA CSI activities in their community.

The majority of the sample of community members recognises that VWSA carries out CSI programmes in their community. According to the respondents, VWCT invests in social programmes towards youth development and education. This is reflected in the 80% of awareness in both programmes, according to the community sample.

The sample also responded by showing its awareness that 50% of CSI programmes are geared towards VWSA employees and/or their family members. This latter finding can be attributed to the fact that most of VWSA employees reside within communities from where the sample was drawn.

Moreover, there is a 40% awareness in the community sample that additional CSI programmes are carried out through VWSA employees who volunteer in their company's CSI initiatives. 30% of community participants also noted that the VWSA CSI activity is allocated to enterprise development. Other participants are aware that 10% of CSI related activities goes towards sport & recreation.

It is also important to remember that the outcomes are somewhat influenced by the number of years that the community respondents have been resident in the area. According to the analysis in Chapter 4, only 20% of respondents have been resident in the community for five years oor less, while another 20% has been living in the area for over 10 years but just under 16 years.

Thus, those community respondents who have been resident in the area for up to five years might have experienced the relationship between VWSA and Love Life and as a result this might have left positive impressions regarding CSI activities.

It is further submitted that these time periods might have an influence on the observations of community respondents regarding some of the VWSA CSI programmes. For example, community members who have been in the area for over a period of 20 years, as is reflected in the 40% data in Chapter 4, might not even be aware of VWSA CSI initiatives. This could be influenced by factors such as age, level of education, and access to social media.

Based on the results as analysed in data collected in this study, and the discussions above, it is submitted that VWSA does conduct CSI activities in the community. Like in section 5.2.1.1 above, education seems to remain one of the most visible CSI programmes undertaken by the company in the community. VWSA seems to be making strides in this field of social investment.

There is also a high level of awareness regarding the CSI activity in the sphere of youth development. This can be attributed to a sample of respondents who partake in VWSA programmes at the Love Life Youth Centre. The same sentiment can be shared in response to the sport and recreation activities that are incorporated with youth activities at the Youth Centre.

The next aspect that scored highly in the community sample are programmes directed at VWSA employees and/or their family members. Once again, and as reflected in section 5.2.1.1 above, this could be a result of VWSA employees residing within the community and sharing their work related benefits with friends and/or neighbours.

Coming to the 30% community awareness of CSI activity with respect to enterprise development, it can be submitted that there is CSI in that regard. The low level of community awareness on this particular point could be influenced by the fact that the Enterprise Development Centre (EDC) only concentrates on companies that are in the engineering and manufacturing fields. This submission is supported by what participant 3 said in response to one of the interview questions:

"And so that changed and we were told about a year ago to start looking for engineering type of companies, manufacturing type of companies. So the old entrepreneurs for instance like the food place or some of the financial services places that was not important anymore or like cleaners. VW don't want cleaning businesses now to come onto the program. They want engineers, people that can make stuff. Because if you enterprise develop them they can supply tech. support, in other words, they can get into the supply chain. There has to be a link" (Participant 3).

Based on the above quoted response from participant 3 and the low level of community respondents' awareness (30%), it is submitted that VWSA should revisit its position in this regard.

The company should consolidate its existing efforts to bring its CSI programmes associated with business development more to the fore like it does with its educational activities.

These results, and especially the level of awareness by community members further indicate the efforts on the part of VWSA to invest into the community wherein it operates.

Section 5.2.1.3 below continues to highlight the CSI programmes undertaken by VWSA in the community. The section, like its two predecessors, still focuses on the main objective as reflected in 5.2.1 above, namely, CSI programmes undertaken by VWSA, but the responses stem from interviews conducted with participants that run various programmes in conjunction with the VWCT.

# 5.2.1.3 Outcomes discussion according to interview responses from participants

Responses from the interviews reflect the active participation of VWSA in social investment activities. According to participant 1, VWSA has invested significant financial resources in CSI programmes towards youth development (Participant 1).

Participant 1 detailed the CSI programmes undertaken at the Youth Centre to include educational programmes run at the Youth Centre, focusing on various skills. According to participant 1:

"We give them programs in terms of facilitation, presentation, computer skills, media, and all those things" (Participant 1).

In terms of the above response, it is clear that this is what VWSA does in the community.

The Youth Centre also offers free basic computer classes for the community at large. And lastly, children under the age of 12 participate in reading programmes at the Youth Centre:

"We are also hosting a program in the centre that is called Nalibali for children under the age of 12. We help them to be able to read" (Participant 1).

According to the details provided by participant 1, one can submit that VWSA does indeed have active CSI programmes in the community. This further supports survey responses from both the VWSA employees sample and the sample drawn from the general public in Uitenhage/Kwanobuhle. Both these samples indicated a high level of awareness when it comes to VWSA and its investment in education.

Participant 2 also alluded to the fact that the purpose of the centre is mainly focused on youth development. The participant further elaborated on other CSI programmes run at the Youth Centre. These include youth leadership development, realising and accessing opportunities. According to participant 2 this is the Love Life plan of action moving forward:

"With Love Life the new strategy for 2015 – 2017 has actually acclaimed all the incentives for Youth Centre academies. The reason being we looking at youth leadership development. In these youth centres we are trying to have your learning academies where to develop a young person not only on the side of education, but also on the side of opportunities, accessing the opportunities, and knowing where to go to access those opportunities" (Participant 2).

Furthermore, there are also programmes that provide life-skills, for example focusing on self-confidence and understanding career choices. The Youth Centre also provides programmes that address health related issues.

For instance, concerns around HIV and the centre's employment of a permanent nursing professional who attends to other community health issues (Participant 2).

Participant 3 added another focus area different from the programmes mentioned by both participants 1 and 2. Participant 3 indicated his involvement as a member of the Enterprise Development Centre (EDC).

According to participant 3, EDC partners with VWSA to develop and grow existing companies in the NMMM. The aim of the EDC is to grow these companies at a certain rate and to include them in VWSA's supply chain. Participant 3 put this in perspective as follows:

"There were certain guarantees with regards to them growing so we had to make sure that the strict criteria from VW was that we would grow these businesses at a certain percent. So at the moment for instance this group of entrepreneurs is growing at 54% in turn over (in average), and 45% in employment" (Participant 3).

EDC programmes also impart to its programme participants, business skills such as finance, marketing, sales, and entrepreneurship. The EDC is also involved in business incubation (Participant 3).

The foregoing responses from the three participants indicate that the scope of social investment carried out by VWSA is indeed diverse. It can be submitted that with its CSI programmes, VWSA first lays the foundation by focusing on basic education and areas associated with it.

The business development programme aims to grow businesses that will be able to create employment. In addition, the programme also aims to develop the longevity of local businesses. One would therefore, submit that the first objective of the study has been established and verified.

The following section focuses on the second area of this research, which is, community involvement and benefit from the VWSA CSI programmes.

### 5.2.2 Community involvement in VWSA's CSI programmes

Section 5.2.2 focuses its discussion on outcomes from VWSA respondents regarding community involvement and benefit in CSI programmes that are run by their company, VWSA. As was the case in section 5.2.1 above, the discussion will flow from the outcomes from the VWSA employees, and from the responses from community members. Lastly, the discussion shall be around responses from interviews with VWCT CSI partner organisations.

# 5.2.2.1 Outcomes discussion according to survey results from VWSA employees

The analysis in Chapter 4 reflects that according to 50% of VWSA employees, community members show some interest in VWSA CSI programmes. The remaining 50% of VWSA respondents expressed the view that community members are involved in VWSA CSI programmes.

On the other hand 30% of community members have some interest in VWSA CSI programmes. A further 40% show average interest, followed by 20% who are involved and the remaining 10% being very involved.

In comparing the two results, it can be submitted that both samples acknowledge interest in VWSA CSI programmes albeit with differing views as to the level of interest. It is submitted this could be due to the benefits that accrue to community members as a result of activities at the Love Life Centre, and literacy and computer lessons carried out in the communities.

To community members, it is submitted, the 30% of some interest could be due to the changed stance of VWSA which now concentrates on engineering and manufacturing companies, having halted enterprise development of catering and/or cleaning companies which are most common forms of enterprises in township communities. This submission is based on the response given by participant 3 in the earlier text in section 5.2.1.2 above.

According to this analysis, it can be submitted that the average number of respondents from the VWSA sample, has taken note that community members are involved in VWSA's CSI programmes. Moreover, the 50% opinion from the sample begins by reflecting that the community shows "some interest" in VWSA CSI programmes.

It can be submitted that the latter part of the preceding paragraph brings some relief to the research objective of this study. This submission is based on the fact that the first level indicator in the survey response stands at 0% where the first choice of response could have been "no interest" by the community in VWSA CSI programmes.

Based on the above, and according to VWSA employee observations, the community is involved in and benefits from VWSA social programmes.

The section that immediately follows could be described as a verifying response to the second objective. This is submitted mainly because the analysis is based from the sample drawn from the community itself.

## 5.2.2.2 Outcomes discussion according to survey results from community respondents

Data analysed from the community sample shows that 30% of community respondents have some interest in the VWSA CSI programmes. Average interest was shown by 40% from the same sample, with 20% and 10% showing involvement and a very involved approach to VWSA CSI programmes respectively. These figures reflect the same information used in the comparison in section 5.2.2.1 above.

What can be inferred from the above analysis is that the community is largely involved in VWSA CSI programmes. 40% of the sample, reflect mean interest. This figure is representative of the level of involvement by community members in these social programmes.

# 5.2.2.3 Outcomes discussion according to interview responses from participants

Interview questions also sought insights from participants as to the involvement of the community in VWCT CSI programmes. What follows is an analysis of what was captured in terms of respondent's opinions on community involvement and benefits in the CSI programmes.

According to participant 1, CSI programmes are run in partnership with other community based structures like the departments of education, health, and social development. There are also community based organisations like the Sector Education and Training Authority (SETA) who are involved with the VWSA CSI programmes (Participant 1).

In the same vein, participant 2 mentioned that the Youth Centre programmes also focus on local schools. The ward councillors also assist the Youth Centre in achieving its objectives:

"We do have a lot of involvement from the ward councillors, from community members. The different stakeholders. When we do have functions or events we always invite them" (Participant 2).

Lastly, on this objective, participant 3 mentions that both the EDC and VWCT conduct social activities in the community. He further states that the idea of them involving the community is an attempt to address the issue of unemployment (Participant 3).

Participant 3 also mentioned that EDC scouting teams go around the community in an effort to assess which township/local businesses can be absorbed into the CSI programmes in order to grow such businesses with the intention of creating employment.

One can infer from interview responses from participants 1, 2, and 3, that the VWSA CSI programmes are not done by VWSA and its CSI partners without community involvement. In other words, communities are involved in the programmes both as facilitators and recipients.

Moreover, it would appear that community involvement focuses on the most basic needs, for example: literacy programmes, basic education, life and other related skills. These submissions do find substantiation in the responses from the questionnaires that were distributed and collected from the community sample.

The following section, 5.2.3 focuses on the third objective. This objective establishes whether the VWSA CSI programmes are effective.

### 5.2.3 The effectiveness of CSI programmes in the community

The outcomes that immediately follow were derived from the VWSA employee sample, the community sample, and from interviews with VWSA CSI partner organisations. These will be addressed in turn.

# 5.2.3.1 Outcomes discussion according to survey results from VWSA respondents

According to 50% of the respondents, CSI programmes that are carried out by the VWSA have an average effect on the community. Another 40% is divided between "effective and "very effective". The remaining 10% view the programmes as having less effect on the status quo.

The inference drawn from this sample is that VWSA CSI programmes have brought some changes in the social standing of community members. This result can be construed as being a positive indication that VWSA employees do see the effects of their company's CSI programmes.

This is indicated by 20% of the sample who are of the perception that the CSI programmes are effective. The other 20% stated that these programmes are very effective while the remaining 10% remains unconvinced.

The perception is that the programmes are effective. Once again, VWSA through its VWCT, are on point in undertaking effective CSI programmes with their community.

## 5.2.3.2 Outcomes discussion according to survey results from community respondents

On the other hand, responses from community members indicate that 40% are satisfied that CSI programmes have an average effect in their community. This is in contrast to the 50% obtained from VWSA employees sample above.

This perception, from community members, is followed by another 40% who are of the perception that the CSI programmes are effective. This percentage is much higher than the 20% obtained in the VWSA employee sample. It could be submitted that perhaps this is more of an indication from people who derive some sort of benefit from the VWSA CSI programmes.

The remaining 20% perceives the programmes as very effective. This percentage is the same as the one responded to above by the VWSA employee sample.

The varying 100% level of effectiveness is an indication that there is an overall community perception that VWSA CSI programmes do indeed benefit the community. This is a positive response since these programmes are meant to invest meaningfully in the communities where VWSA conducts its operations.

Moreover, according to the community sample, there has been a positive impact brought by VWSA CSI programmes. The community sample responded by stating that a significant change has been noticed in the education of VWSA employees and/or their family members. Note also that some of the community sample respondents could be family members to VWSA employees.

The community sample also indicated that there has been a slight change in the education field. This could be because VWSA is in partnership with local schools as well as reading programmes run by the VWCT and the YC.

There is also another positive impact brought on by the VWSA CSI programmes. For example data analysis in Chapter 4, indicates there are changes in the youth development field, sport & recreation, and facility development. These figures represent what a sample of the community has observed as positive changes brought about through VWSA CSI programmes.

It can therefore be concluded, that these programmes are indeed beneficial and effective in addressing community social challenges. The latter inferences remain of utmost importance since these observations are from the recipients of these social investment programmes themselves.

Continuing with responses from the community, questionnaires distributed within the community had some open-ended questions. The responses from these questions were coded by this researcher in order to arrive at a more comprehensive analysis.

According to the responses community members perceive these VWSA CSI programmes have improved certain personal skills. For example one respondent feels that his/her communication and interpersonal skills have improved since embarking on one of the CSI programmes.

Other respondents are of the view that by participating in these programmes they too are instruments of change in their community. Some have been presented with work opportunities through the VWSA CSI programmes.

These responses are an indication that the social investment initiatives carried out by VWSA are effective and beneficial to the community. The final part of assessing this objective is through the responses gathered from interviews with VWCT partner organisations.

The responses are particularly relevant to the third objective of this study which is weighing the effectiveness of the VWSA CSI programmes. Section 5.2.3.3 below deals with interview responses regarding the third objective of the study.

# 5.2.3.3 Outcomes discussion according to interview responses from participants

According to participant 1, the CSI programmes have presented employment opportunities to the youth. The Youth Centre is able to employ ten young individuals annually with each receiving a monthly stipend.

The same sentiment was echoed by participant 2. The latter also mentioned that through these CSI programmes, some Youth Centre participants have been able to find employment in the media industry.

The reflections from both participants 1 and 2, demonstrate the positive changes brought about by VWSA CSI programmes - there has been employment created through these programmes. To some extent, Youth Centre participants have been able to become permanent employees. As participant 2 put it:

"I think there is a lot of upliftment and we also do have a few success stories about young people that have been through the centre that is somewhere else now" (Participant 2).

Lastly, participant 3, painted a broader picture of the effectiveness of the VWSA CSI programmes. According to participant 3, the 2016 EDC participants managed to attain a collective business turnover of 54%. This in turn created about 239 jobs in the NMMM:

"So we have created 239 jobs. The turnover of this group so far is financially substantial. So what is happening is that the impact on the community is a lot..." (Participant 3).

Moreover, approximately eight entrepreneurs who have been through the EDC programmes have had their entities incorporated in the VWSA supply chain. The following quote from participant 3 is illustrative of the successes of the VWSA enterprise development programmes:

"Of the 16 there is probably about eight supplying VW now. Some small, some big who have come through the program so we have about 50% at the moment. It is going to improve as we change the demographics of the entrepreneurs because they are going to now all become engineering and things like that. So we are going to get more success into VW" (Participant 3).

It can be submitted that these interview responses have clearly indicated a positive effect of the VWSA CSI programmes. The effects range from improving the education standards of community members; getting the youth involved in programmes that provide them with life skills; as well as aiding the youth in obtaining full time employment.

Lastly, the EDC helps entrepreneurs to grow their businesses. This on its own has helped the creation of jobs where communities benefit and are able to provide for their families. Therefore one can submit, that VWSA does indeed invest in the community.

#### 5.3 RECOMMENDATIONS

Recommendations in this study stem from responses that were received from openended questions in questionnaires that were distributed both at VWSA and within the community. For example, question 13 in the community questionnaire wanted to know what other programmes the participants thought could be developed by VWSA in assisting the community.

Based on some of the responses, it is recommended that VWSA establish and run a technical workshop to equip employable community members with technical skills. This will ensure that successful candidates are ready to be absorbed into the VWSA job market. This could also assist these candidates in obtaining employment elsewhere in the auto-motive industry within the NMMM.

Secondly, it is recommended that VWSA and the EDC should consider including a certain percentage of entrepreneurs who are not in the engineering and manufacturing industries, into their programmes. For example, VWSA can look at small and medium enterprises that provide cleaning services. This will create employment because vehicles that are delivered to retail customers need to be in an acceptable and clean condition.

The plant itself, together with the administration buildings need to maintain a positive image to both employees at VWSA and to its stakeholders, which cleaning companies can provide.

Thirdly, VWSA should venture into activities that are not motor industry related. For example, focusing on arts and culture programmes, women empowerment, and most importantly, environmental programmes that limit the harmful results from their operations.

Furthermore, according to the data collected from the study participants, there is an interest in sport and recreation. It is recommended that VWSA establishes a professionally run sports centre. This could help in managing and identifying talent and such a centre would become a "feeder" to professional sports entities. This is already happening at the Youth Centre, albeit, not in a formalized or professional manner. VWSA can investigate this prospect as a way of finding alternative ways of identifying talent and presenting employment opportunities for prospective athletes.

For example, the Love Life Youth Centre hosts young adults who use the facilities to play netball; basketball; and volleyball. If these can be consolidated into a professionally run sport academy, it could enhance the professional potential of these youths.

Lastly, another concern according to the responses was facility development. It has been established that VWSA does conduct this CSI initiative. As recommended above, the EDC should reconsider developing other businesses that are not in the engineering sector.

Construction companies, plumbers, and electricians can also be included in VWSA's enterprise development and this could witness the mushrooming of entities that could be contracted by VWSA at reasonable cost to renovate and maintain community facilities like schools, churches, libraries, and also VWSA facilities.

This in turn, could provide these companies with reference work when it comes to tendering for government projects, thereby creating additional employment and gaining financial independence as entities that were created by the VWSA CSI programmes.

#### 5.4 STUDY LIMITATIONS

The researcher in this study adopted a mixed methods research. More particularly, he conducted a case study on the CSI programmes that are carried out by VWSA through its VWCT.

This study, investigated the CSI programmes that are carried out by VWSA. The study did not look at other companies within the NMMM and make a comparison with their CSI programmes; their effects; and how they benefit the community.

Small sample sizes were taken from both VWSA and the community. As a result, the study findings cannot be generalised to other communities in the NMMM. Furthermore, questionnaires were distributed and collected at both VWSA and in the community after respondents completed the survey questions.

This researcher submits that this approach could have burdened the respondents to complete the questionnaires on location and hence other open-ended questions could not be completed. Further, this researcher could have assisted respondents to complete the questionnaires thereby obtaining more comprehensive responses. As stated in Chapter 3 of this study, this approach was followed in order to avoid respondents disappearing with the questionnaires or misplacing them.

A future research opportunity exists for the investigation being repeated with larger sample sizes. In addition, a comparative study involving several other CSI programmes run by other corporates could be conducted.

It is submitted that this could uncover more information regarding what corporates should do to meet expectations regarding corporate social investment initiatives and/or programmes.

#### 5.5 CONCLUSION

In conclusion, the aim of this study was to investigate the effectiveness of corporate social investment on the social challenges that are faced by communities in the Nelson Mandela Metropolitan Municipality (NMMM). The outcomes were validated by participants' perceptions regarding the effectiveness of VWSA CSI programmes.

The survey results also revealed and verified in detail how a number of VWSA CSI programmes are executed by the Love Life Youth Centre in partnership with other community based institutions like the departments of education, health, and social development. Moreover, the Youth Centre also extends its reach to the community in general.

There is also the Enterprise Development Centre which assists in growing entrepreneurs to ensure that their businesses succeed and remain sustainable. The EDC also runs programmes in partnership with VWCT. The results reveal that the EDC helped entrepreneurs who are participants in its programmes to create jobs in the community.

The findings of this study indicate that there are several CSI programmes that were undertaken by VWSA in addressing social challenges faced by communities in the NMMM. For example, the offering of part-time employment to the youth. This is of great service since it is a common cause in that youth in South Africa face high unemployment. Secondly, programmes like Nalibali help address basic literacy issues faced by young children in township communities.

Moreover, it can be submitted that the community is involved in the VWSA CSI programmes. For example, the involvement of Ground Breakers, who work with Life Orientation teachers demonstrates how these programmes address communal needs in terms of education. A lot of recent debate in South Africa has centred on the issue of free education from primary level right through the tertiary level.

The Love & Life programme presented at the Youth centre also addresses the issue of HIV which affects families in the broader sense. This is also a sign of community involvement in addressing critical health issues.

Lastly, interview participants and questionnaire responses have highlighted the effectiveness of VWSA CSI programmes. The employment opportunities provided by the EDC and the employment opportunities created through media skills developed at the Youth centre, has seen young people gaining employment at television and radio stations.

Moreover, the free computer classes that are offered to adults who have never before utilised a computer has resulted in their potential of being employed enhanced by this basic skill.

All these outcomes indicate that the objectives of this study have been met and that VWSA does provide tangible CSI programmes that address the challenges faced by communities in the Nelson Mandela Metropolitan Municipality.

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### **Annexure A: VWSA Employees Questionnaire**

#### SURVEY QUESTIONNAIRE ON CORPORATE SOCIAL INVESTMENT

(Distributed to employees of the company)

#### INTRODUCTION

Volkswagen Group South Africa (VWSA), through its Volkswagen Community Trust (VWCT) is involved in a number of community programmes that aim to uplift the lives of South Africans. This can be seen in their relentless efforts to market and make these efforts known within and beyond the Nelson Mandela Bay Municipality.

It is for these reasons this invitation is extended to you in order to understand and grasp a comprehensive view of what these important and valuable programmes touch and affect you as a stakeholder in the broader meaning of the concept. Your kind effort in contributing to this survey will be more than welcome as it will assist in extending this generosity to more less fortunate citizens of our country.

#### SECTION 1: Background Information

1.	What	is your g	ende	er?						
Fema		,								
	10									
Male										
2.	What	is your r	ace?							
Black		White		Indian		Coloured		Other		
3.	How o	old are ye	ou?							
18 – 2	25	26 – 32		33 – 40	)	41 – 49	50+			
4.	What	is your e	duca	ation le	vel?					
l don'	t have	matric	Mat	ric (	Colleg	je Diploma	D	egree	Pos	t - Degree

### SECTION 2: Employment information

5. H	low many years	s have you be	een employe	d at this compa	iny?
0 – 5	06 – 10	11 – 15	16 – 20	more than 2	0
6. W	/hich category	do you fall ir	n as an empl	oyee of this cor	npany?
Senior r	management	Middle	managemen	t Factor	ry level
SECTIO	N 3: Knowledg	e relating to y	our company	s community inv	olvement
7. W	/hat activities i	s your comp	any involved	in within the co	ommunity?
Youth d	evelopment				
Education	on				
Employe	ee volunteerisi	n			
Enterpri	se developme	nt			
Employe	ee / family dev	elopment			
Other (P	Please specify in	the space pr	ovided below		
8. H		involved is y	your commu	nity in your con	npany's social
No inter	est Some in	terest Av	erage intere	st Involved	Very involved

9.	How in	terested / involve	d are you in your co	mpany's soc	ial programmes	?		
No ir	nterest	Some interest	Average interest	Involved	Very involved	1		
10.	How ef	fective do you thi	nk these programme	es are in the	community?			
Not e	effective	Less effective	Average effect	Effective	Very effective	e		
11.			est in any of the follo		mmes towards	its		
Educ	ation (er	mployees / family	members)			YN		
Education (community members)								
Youth development (family members / community)								
Spor	t & recre	eation (employees	/ family members / o	community)		YN		
Facil	ity devel	opment in the co	nmunity (e.g., schoo	ols / churche	s/ etcetera)	YN		
Othe	r progra	mmes (Please spe	cify in the space prov	ided below)		_		
12.			see effective change	The second secon	Committee of the commit			
			munity and / or towa	rds employe	es?			
		mployees / family						
Educ	ation (co	ommunity membe	rs)					

You	th development (family mer	mbers / comm	nunity)			
Sport & recreation (employees / family members / community)						
Facility development in the community (e.g., schools / churches/ etcetera)  Other programmes (Please specify in the space provided below)						
_						
13.	How long (i.e., years) hav	e these prog	rammes	been in p	lace?	
Edu	ıcation:	0 - 5	6 _ 10	11- 15	16 – 20	20+
You	th Development:	0 – 5	6 - 10	11-15	16 – 20	20+
Ente	erprise Development:	0 - 5	6 – 10	11- 15	16 – 20	20+
Oth	er programmes and time sp	an (Please sp	ecify in th	e space r	rovided be	elow)
27311	DANSE CONTROL	80 98 000				
14.	What other programmes community? (Please spec				to assist	the
	Community : (Fredoo Speed	my in the opac	e provide	a below)		
15.	How do you think your su	ggested pro	gramme (	can assis	t the com	munity?
			8			
	LANCO ACCOUNT OF THE PARTY OF T	on commence the same				
16.	What improvements, if ar					
16.	What improvements, if ar community programmes					

# **Annexure B: Uitenhage Community questionnaire**

## SURVEY QUESTIONNAIRE ON CORPORATE SOCIAL INVESTMENT

(Distributed to community members in Uitenhage)

#### INTRODUCTION

Volkswagen Group South Africa (VWSA), through its Volkswagen Community Trust (VWCT) is involved in a number of community programmes that aim to uplift the lives of South Africans. This can be seen in their relentless efforts to market and make these efforts known within and beyond the Nelson Mandela Bay Municipality.

It is for these reasons this invitation is extended to you in order to understand and grasp a comprehensive view of what these important and valuable programmes touch and affect you as a stakeholder in the broader meaning of the concept. Your kind effort in contributing to this survey will be more than welcome as it will assist in extending this generosity to more less fortunate citizens of our country.

## SECTION 1: Background Information

1.	What	is your ger	nder?			
Fema	ale					
Male						
2.	What	is your rac	e?			
Blaci	<b>*</b>	White	Asian	Coloured		
3.	How	old are you	?			
18 –	25	26 - 32	33 – 40	41 – 49	50+	
4.	What	is your edi	ucation level	?		
l don	't have	matric M	latric Col	lege Diploma	Degree	Post – Degree

### SECTION 2: Resident information

5. How many years have you been living in Uitenhage?
0 - 5 06 - 10 11 - 15 16 - 20 more than 20
6. How do you provide for your family on a daily / monthly basis?
Government grant Self-employed Part-time employed Full-time employed Other
(Please specify in the space provided below)
SECTION 3: Knowledge relating to the company's community involvement
7. What activities is the company involved in within the community?
Youth development
Education
Employee volunteerism
Employee volunteerism
Enterprise development
Employee / family development
Other (Please specify in the space provided below)

8. How interested / involved is your community in the company's social programmes? No interest Some interest Average interest Involved Very involved How effective do you think these programmes are in your community? Not effective Less effective Average effect Effective Very effective 10. Does the company invest in any of the following programmes towards the community? Education (volunteers from the company) Education Youth development Sport & recreation Facility development (e.g., schools / churches/ etcetera) Other programmes (Please specify in the space provided below) 11. How do these programmes impact on you as an individual?

12.	In which field(s) do you see effective changes brought by the company's programmes in the community?
Edu	cation (employees / family members)
Edu	cation (community members)
You	th development (family members / community)
Spo	rt & recreation (employees / family members / community)
Faci	lity development in the community (e.g., schools / churches/ etcetera)
Othe	er programmes (Please specify in the space provided below)
13. com	What other programmes do you think can be employed to assist the munity? (Please specify in the space provided below)
14.	What changes do you think your suggested programmes would bring?
15.	What improvements, if any, would you recommend to be made to existing community programmes? (Please specify in the space provided below)

# **Annexure C: Permission from VWSA**

(email correspondence between myself and Mr Vernon Naidoo)

13

Dear Edward

11/19/2017

(17 unread) - edwardmokoena@yahoo.com - Yahoo Mail

I trust that you are well.

Below is an email dated 12 October 2016, wherein I asked the various role-players to assist you.

I trust that this will be sufficient for your research.

All the best.

Vernon Naidoo

Manager: VW Community Trust

Volkswagen Group South Africa

P.O. Box 80

Uitenhage

6230

Tel: +27-41-994 4399

Fax: +27-41-994 5587

E-mail: naido16@vwsa.co.za

http://www.vwcommunitytrust.co.za/

https://mail.yahoo.com/d/search/keyword%3Dnaidoo/messages/12162

11/19/2017



On 12 Oct 2016, at 11:38, Naidoo, Vernon < naido16@vwsa.co.za> wrote:

Dear Colleagues

Edward is doing his MBA at the NMMU. He would like to interview some people with regards to CSI and Volkswagen and the Trust. Please can you accommodate him in your busy schedule by answering a questionnaire. Also if you know of people that he can speak to at Ntlezmeza, Employees that did Show of Hands etc.

Edward will contact you directly and for his sake, I will just outline your portfolios:

- Noto works for VWCT Projects with 5 schools (including Ntlemeza)
- Nkosinathi works for VWCT-runs the Employee Volunteerism (Show of Hands)
  - Dominic- principal at Ikhwezi Lomso ECD centre
- Themba and Janice works for loveLife
- Guy: runs the VW Business Support Centre
- Chris runs the science centre - 2.6.4.6.0

Please assist him where you can.

https://mail.yahoo.com/d/search/keyword%3Dnaidoo/messages/12162

11/19/2017

Thanks

>

Show original message

Volkswagen of South Africa (Pty) Ltd. (Reg No. 1946/023458/07) Chairman: T Schäfer\*

Managing Director: T Schäfer\*

Directors: S Mecha\* (Sales & Marketing), H Jens\* (Finance), S Macozoma (Non-Executive), PJ Smith (Human Resources), N Maliza (Corporate and Government Affairs), J Brücker\* (Production)

German\*

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# **Annexure D: Permission to submit**

DM16H3 (11-07-2013\_16h35) 'D/116/13 (28-02-2013\_17h31) (formarly D/523/05)

# NELS®N MANDELA

UNIVERSITY

PERMISSION TO SUBMIT A TREATIS  EXAMINAT		E313 FUR
NAME: L.E. MOKOEN	<u>A</u> .	
STUDENT NUMBER: 213 41.	3 477	candidate for
DEGREE: MBA	in the	343
FACULTY: EMS SCHOOL	DEPARTMENT: B	SINESS SCHO
nas today submitted his/her treatise/dissertation		
Has this treatise/dissertation/thesis been support?  YES	submitted with you	r knowledge and
(Please tick the appropriate	e response clearly)	
Submission Recommendation:     A. Permission Granted for submission for examination     B. Permission Granted for submission		
for examination with reservations		
C. Submission against advice of Supervisor		
(Please tick only the applicable res	ponse clearly)	
. Did the candidate's research involve anima	al experimentation or h	uman subjects as
defined in the Nelson Mandela University F		이 가는 이 있는 것이 하는 사이를 된 것이 있다면 하는데
YES	NO V	
(Please tick the appropriate respon	se clearly)	
		1

D/116/13 (11-97-2013\_16h35) \*D/116/13 (26-92-2013\_17h31) (formarly D/823/05)

# If YES, has clearance been obtained from the relevant Ethics Committee?

YES

NO

(Please tick the appropriate response clearly) If YES, kindly provide ethics clearance reference number)

Name of supervisor: De Bryon Lubin	150-
Signature:	
Date: 20/11/2017	
Name of Co-supervisor:	
Signature: N/A	
Date:	



# ETHICS CLEARANCE FOR TREATISES/DISSERTATIONS/THESES

Please type or complete in black ink					
FACULTY: BUSINESS AND ECONOMIC SCIENCES					
SCHOOL/DEPARTMENT: BUSINESS SCHOOL					
I, (surname and initials of supervisor) ROBINSON, B					
the supervisor for (surname and initials of candidate) MOKOENA,	E	<u>.                                    </u>			
(student number) 213 413 4	77_				
a candidate for the degree of MBA					
with a treatise/dissertation/thesis entitled (full title of treatise/dissertation/thesis)					
AN INVESTIGATION INTO THE EFFECTIVENESS OF G					
SOCIAL INVESTMENT IN ADDRESSING SOCIAL CHALLENGES I	N N M	BAHNICIPALITY.			
considered the following ethics criteria (please tick the appropriate block):					
	YES	NO			
<ol> <li>Is there any risk of harm, embarrassment of offence, however slight or temporary, to the participant, third parties or to the communities at large?</li> </ol>		X			
2. Is the study based on a research population defined as 'vulnerable' in terms of age, physical characteristics and/or disease status?		X			
2.1 Are subjects/participants/respondents of your study:  (a) Children under the age of 18?  (b) NMMU staff?  (c) NMMU students?  (d) The elderly/persons over the age of 60?		*			
(e) A sample from an institution (e.g. hospital/school)?  (f) Handicapped (e.g. mentally or physically)?		*			

Mary Transfer Contracting Contracting	
4. Will the participant's privacy, anonymity or confidentiality be compromised?	X
4.1 Are you administering a questionnaire/survey that:	
(a) Collects sensitive/identifiable data from participants?	17
(b) Does not guarantee the anonymity of the participant?	4
(c) Does not guarantee the confidentiality of the participant and the data?	
(d) Will offer an incentive to respondents to participate, i.e. a lucky draw	
or any other prize?	1 1/2
(e) Will create doubt whether sample control measures are in place?	- V
(f) Will be distributed electronically via small (and requesting an email	<del></del>
response)?	X
Note:	
<ul> <li>If your questionnaire DOES NOT request respondents!</li> </ul>	1 1
identification, is distributed electronically and you request	- 1 1
respondents to return it manually (print out and deliver/mail); AND	1 1
respondent anonymity can be guaranteed, your answer will be NO.	
<ul> <li>If your questionnaire DOES NOT request respondents'</li> </ul>	- 1
identification, is distributed via an email link and works through a	1 1
web response system (e.g. the university survey system); AND	1 [
respondent anonymity can be guaranteed, your answer will be NO.	1 1
3 - See served Jose distrati the De NO.	



and hereby certify that the student has given his/her research ethical consideration and full ethics approval is not required.

SUPERVISOR(S)

29/10/2016 DATE 3/11/2016

HEAD OF DEPARTMENT

26.10.2016

STUDENT(S)

DATE

Please ensure that the research methodology section from the proposal is attached to this form.

T711TR0: Treatise My Submissions Summary Synchronising Data Refresh Submissions First Previous 1 Next Last Showing 1 to 1 of 1 entries Submission Submitted **Similarity** Grade **Comments** The Effectiveness of Corporate Social Investment in Addressing Social Challenges in the Nelson Mandela Bay Metropolitan Area -/0 1/12/17, 15:03 2% (0)B Status: Submission successfully uploaded to Turnitin. First Previous 1 Next Last Showing 1 to 1 of 1 entries Submission Title ? File to Submit ② Maximum size for new files: 40MB, maximum attachments: 1 湮 **Files** 

Files

You can drag and drop files here to add them.

**Annexure G: Letter from the Language Editor** 



One Stop Solution 24 Firenze Gardens Warbler Road Cotswold Ext Port Elizabeth 6045

www.onestopsolution.co.za

TO WHOM IT MAY CONCERN

I, Simoné Ferreira, declare that I have done the language editing for the research paper

of:

Name: LEHLOHONOLO EDWARD MOKOENA

Student no: 213413477

entitled:

THE EFFECTIVENESS OF CORPORATE SOCIAL INVESTMENT IN ADDRESSING SOCIAL CHALLENGES IN THE NELSON MANDELA BAY METROPOLITAN AREA

Submitted in fulfilment of the requirements for the degree of Master of Business Administration in the Faculty of Business and Economic Sciences at the Nelson Mandela University.

I cannot guarantee that the changes that I have suggested have been implemented nor do I take responsibility for any other changes or additions that may have been made subsequently.

Any other queries related to the language and technical editing of this treatise may be directed to me at 076 481 8341.

Signed at Port Elizabeth on 30 November 2017

Simoné Ferreira