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**AN INVESTIGATION INTO THE EFFECT OF  
CORPORATE PHILANTHROPY ON STAFF WELLBEING  
AT A SMALL COMPANY IN THE SOUTH AFRICAN  
MARKETING INDUSTRY**

A dissertation submitted in partial fulfilment of the requirements for the degree of

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by

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## **Abstract**

In many service industries, the source of a company's value has shifted from capital to knowledge and ideas, the quality of which is dependent on its employees (Wooldridge, 2006). In fact, human resources can be considered part of factor conditions which can positively impact on a firm's competitive context. This impact can ultimately translate into improved financial results (Porter and Kramer, 2002). There is therefore a growing interest in ways to attract and retain talent.

According to the managers of many big companies, well communicated corporate responsibility practices can improve staff attraction as well as retention rates by improving morale (CSRwire, 2002).

To explore this, a small, creative company in Johannesburg which engages in charity work was selected as a case study, with the goal being to understand whether their culture of good deeds has a positive impact on staff wellbeing. While the owner of the company actively attempts to make the company an enjoyable place to work at, he appears to have initiated the philanthropic activities in a true spirit of giving, rather than with the motive of engaging staff in order to make more money. Nevertheless, the researcher's investigative stance is that of an enlightened egoist, and the study focuses on the business case of giving being beneficial to the giver (ultimately the company) in the long term, as well as to the recipient. While the danger of suggesting that philanthropy could be instrumentalised is acknowledged (Morton, 2004), the investigation explores the possibility because such evidence could persuade other companies to become more socially concerned.

Through a qualitative approach involving interviews, observation and analysis of video footage, it becomes apparent that there is clearly value for the staff in the charity work they do. Unfortunately the multiple initiatives undertaken to keep staff morale high at the

company make it impossible to establish a clear link between the philanthropy and overall wellbeing, but as the study was conducted in the phenomenological paradigm the main concern was with understanding the experience of participants.

However, an unexpected finding was that the employees derive great satisfaction from using their professional skills for charity work rather than just donating money to the charity. They feel that their skills uniquely position them to make significant changes to the lives of others, which gives them a sense of pride and achievement that they don't necessarily experience in their ordinary activities at work. On the basis of this, it is recommended that companies look to involve staff with projects that require their specific expertise when evaluating philanthropic initiatives.

## **Declaration**

I, Deborah Schepers, hereby declare that this research thesis is my own original work and that all reference sources have been accurately reported and acknowledged.

D. Schepers

16 November 2007

Pencil, ink marks and  
highlighting ruin books  
for other readers.

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## 1. Introduction

There are two main arguments for companies contributing to society – a moral argument (it is the “right thing to do”), and a business case, where a donation is given because it is beneficial to the company in the short or long term (PricewaterhouseCoopers, 2002). Corporate executives and institutional investors interviewed by the Economist Intelligence Unit in 2005 rated brand improvement and enhanced staff morale as the two most important business benefits of corporate social responsibility (CSR) (Economist Intelligence Unit, 2005). This study focuses on the benefit to staff morale.

Current thinking around the factor inputs to a business suggests that the real value lies in human resources, not in capital resources (raw materials), technology or physical infrastructure. This is because the industrial revolution has made way for an information age, and people, not machines, nurture and store information and ideas (Bartlett and Goshal, 1995). Satisfied employees are likely to be more co-operative with management and fellow employees, spend more time at work, be more time-efficient and punctual and stay with the company for longer than employees who are not satisfied (Spector, 1997). Employees who consider themselves to experience more positive than negative emotional symptoms also tend to receive higher performance ratings (Wright and Bonnett, 1997). While it may be argued that people are genetically predisposed to certain levels of happiness (Haidt, 2006) or even that high performance causes job satisfaction, it is clear that a focus on raw materials and supply chains alone will limit managers in a modern services industry – employees are the new competitive advantage (Ulrich, 2007).

Keeping staff motivated is therefore more important than ever before. *The Economist* refers to an “Employment Value Proposition” (EVP) which includes pay and benefits, but also emphasises elements such as a sense of belonging and the opportunity to develop skills (Wooldridge, 2006). Employees are looking for more satisfaction from their jobs (Avolio and Sosik, 1999), and it seems reasonable to assume that the emotional rewards



for staff that come from doing good through involvement with corporate social responsibility initiatives could be a factor in a company's EVP.

In fact, there is research suggesting that an organisation that is involved with doing good is more trusted by its employees (Hurley, 2006), and evidence that volunteer work assists in reducing the negative effects of stress on individuals (Rietschlin, 1998). One study even suggests that volunteer work enhances all aspects of wellbeing, from self-esteem to physical health (Thoits and Hewitt, 2001). What business owner doesn't want a healthier, happier workforce?

I am interested in the link between corporate social responsibility activities and improved staff morale and wellbeing, and set out to investigate it in this study because I personally feel that business has significant power in society and therefore needs to take some degree of responsibility for society and contribute to social welfare. Even small and medium-sized companies, which don't have the impact or influence of multinationals, are often in a position to improve social conditions. I regard companies as moral agents with a duty towards their broader stakeholders. In South Africa, a country with immense social inequalities, there are elements of society which are in dire need of support (Sachs, 2005). Already dismal statistics around poverty are being made worse by the spread of HIV/AIDS. While South Africa also faces significant challenges around skills development and housing, it is truly startling to realise that our country's average life expectancy – 60 years in the mid-1990s – will have declined to 40 years by 2010 (Dialogue, 2004).

At the same time I am well aware that moral arguments often carry little weight when compared to solutions offering short term financial gain. Certainly, very few small companies do social work, as they feel that they don't have sufficient resources, and consider it a luxury (Longenecker, Moore and Petty, 1997). This was clearly illustrated when I was looking for a small business with philanthropic initiatives to use as a potential case study, and found only two.

Larger companies may benefit from enhanced reputations as a result of publicising their corporate social responsibility practices (CSRwire, 2002), but smaller companies are unlikely to have the necessary marketing budgets to attain the required publicity. Smaller companies are also not obliged by law to consider broader stakeholders, although the King Reports encourage it (Fisher and Lovell, 2003). The lack of legal requirements on smaller companies made me wonder under what circumstances they would be likely to undertake the social initiatives which I believed were necessary.

In my literature review I discuss the evolution of the thinking around companies involving themselves with social issues, and briefly review the current social situation. Carroll's four-part definition of corporate social responsibility is central to my interpretation of the different types of responsibilities a company has to society, with philanthropy being distinct from a company's economic, legal and ethical obligations (Carroll, 1979). Philanthropy can be described as the desire to help humankind through acts of charity (Carroll, 1998) and as comprising three activities – voluntary service, voluntary association and voluntary giving for public or social improvement (Payton, 1998). It is therefore distinct from a company's obligations, and involves freely selected, benevolent activity.

The King Report has impacted on how the responsibilities of corporations are viewed in South Africa (Fisher and Lovell, 2003) and is discussed in some detail.

I was interested in a company in the marketing industry because I was managing a small media business at the time of the study. Most advertising agencies in South Africa form part of large global operations, with high profile clients, extensive resources and opportunities for staff to grow. As my fledgling business could not offer staff any of these benefits and was not yet very profitable, I was concerned with motivating staff in ways besides increasing their salaries. As a business based on intellectual capital, the quality of the staff was a critical success factor (Wooldridge, 2006).

If a financial motivation could be presented for small businesses to involve themselves with social responsibility initiatives, they would be more likely to consider it than simply because it is the “right thing to do”. Small businesses such as mine would benefit from more engaged staff, and the broader community would benefit from the investment. While I am not a psychological egoist who believes that human beings are fundamentally selfish (Sober, 1995), my study attempts to appeal to an egoist by showing that giving can be beneficial to the giver. The fact that the company studied appears to have mixed motivations for giving (both philanthropic and to improve staff morale) is largely irrelevant, as I am concerned with identifying any positive consequences for staff morale. The weight of my study deals with the perceptions of and meaning found in the social work by the staff.

The company selected for the case study is a small Johannesburg-based company which specialises in the content and design of presentations, including video elements. The company is particularly passionate about keeping staff morale high, and applies various practices to ensure this, including active involvement in corporate philanthropy. The owner/manager encourages the staff to work on charity projects (on company time), mostly creating presentations to assist the charities to raise funds for their cause. The arrangement is informal and voluntary. The case study is presented anonymously – the company is referred to as The Agency, and all participants are given pseudonyms. This is done because personal revelations are made.

The company culture at The Agency is unconventional to say the least, even at first glance. Video games and toys are placed around the office to make it a fun environment and shorts and tattoos form the basis of the company’s dress code. The quality and motivation of employees is clearly important in an ideas business such as The Agency.

I chose a qualitative approach in the phenomenological tradition because I felt it was better suited to an inquiry into morale and culture than a quantitative study. While a positivist can be said to favour an empiricist theory of knowledge (Babbie and Mouton, 2001), as a phenomenologist I aim to understand rather than to explain the situation. I

also acknowledge that I am not a removed observer measuring facts, but rather an insider to the situation and therefore applying my own interpretation of events (Schutz, 1962).

With this worldview, I set out to ascertain whether there is a link between the corporate philanthropy actively engaged in by the company and the morale of their staff. I probe management and staff in loosely-structured interviews (which aim to explore perceptions rather than simply seek answers to predetermined questions which may not reveal the whole picture). I also document my observations of morale at the company, and analyse video footage of company activities created by staff.

While a phenomenological study does not have an underlying hypothesis, my hunch was that there was good staff morale at The Agency, and that this is linked to the charity work. We know that good staff morale is part of good human resources management, which is an input factor in Porter's competitive context model, and leads to better improved financial performance (Porter and Kramer, 2002). Any such link would contribute towards a business case for corporate social responsibility in small businesses that shows benefit in the relative short term. In the course of the investigation I became interested in an additional element – whether one kind of philanthropy had more impact on staff than another kind.

## **2. Literature Review**

### **2.1. The Motivation to do Good**

The debate around giving is ultimately concerned with the reasons behind giving, which means that we need to understand what motivates human beings to embark upon any course of action. Motivation is tied to human nature, and opinions on the goodness of that nature vary greatly. For example, while Rousseau believed that humans are basically compassionate, Thomas Hobbes suggested that humans are essentially selfish (Solomon and Hansen, 1983). The notion of inherent selfishness is a strong thread in the literature, and requires further consideration.

Psychological Egoism is a dominant theory of motivation, which states that all decisions are selfish, as people are always motivated by self-interest. This is based on the presupposition that all rational agents “maximize expected utility” (Sober, 1995). The unsettling implication is that according to Psychological Egoism (PE), even a decision to dedicate one’s life to charity would be motivated solely by the glow of self-satisfaction achieved from this, the social acceptance gained from it, or possibly by the avoidance of potential guilt. It would all be done for personal benefit, leaving little hope for humanity to rise above selfishness and do something noble.

The philosopher Thomas Hobbes went so far as to make a list of motives which may superficially appear to be altruistic, but are in fact egoistic. For example, he explains charity as the “delight one takes in the demonstration of one’s own powers” (Rachels, 1993). This would mean that even Mother Theresa was an essentially self-serving individual, as although she wasn’t necessarily selfish (furthering her own interest at the expense of others), she was propelled by self-interest rather than by the interests of others. She did work for others only because it made her feel good (LaFollette, 1988).

Tim Harford suggests that people are almost always selfish. The evidence for this claim is that worldwide, people tend to engage in the kind of charity work which gives them a “feel good buzz”, whereas they could do far more good through a simple donation. This, however, does not make them feel as good about themselves as being in contact with the recipient (Harford, 2006). This suggests that we are, to some extent at least, psychological egoists. Harford goes on to calculate the charitable giving in a specific country as a percentage of their economy. The United States is at 1.85%, which he takes to mean they are 98.15% selfish (Harford, 2006)! Many economists also make the fundamental assumption that human nature is primarily egotistical – in that rational humans are expected to maximise their best interests, and only regard the interests of others when they are beneficial to their own agendas as well (Bowie, 1991).

PE is a descriptive theory, as it attempts to explain what people do, rather than advising what they should do, which would constitute a normative theory (Rachels, 1993). There are certainly normative theories related to Psychological Egoism, for example, Ayn Rand’s proposal that the only ethical course of action is that which best furthers the individual’s real self-interest (Rand, 1961). In other words, according to Rand’s ethical egoism one has a duty to promote one’s own interests, and no duty towards others, regardless of whether this sits comfortably or not. In contrast, PE maintains that people simply can’t help being selfish.

Therefore, to make corporate social responsibility appeal to a psychological egoist it would need to be shown to be beneficial to the giver, with the effect on the recipient being irrelevant. The “business case” for corporate social responsibility focuses on this benefit to the company, in terms of factors such as improved reputation and staff retention (Erfle and Fratantuono in Wagner, 2003).

To establish whether PE is true, the foundation of the argument needs to be examined. The first premise is that the beliefs and desires of the individual are the basis for the decisions they make (Sober, 1995). This would be the case regardless of the content of these beliefs and desires – in other words the desires could be masochistic or simply

misguided, and not necessarily in the best interests of the individual. An example of a desire which gives pleasure but is not in someone's best interests would be smoking, or reckless gambling. An example of a desire which does not give in pleasure itself, but is of concern for other reasons, is mowing the lawn (Blackburn, 1999).

The second premise is that individuals occasionally have beliefs and desires which are other-directed. An example here would be the desire to donate money to a charity rather than using the money to purchase something nice for oneself. Although the content of the preference refers to others, PE holds that the preference is still serving the interests of the individual (Sober, 1995). This is the most interesting premise of PE, as it means that a raging egoist could nevertheless be strictly guided by moral principles, as long as it is the satisfaction gained from following those principles which motivates him or her, rather than the principles themselves.

The third premise is that decisions sometimes have consequences which are not related to their motives. The act of giving to charity is likely to have two effects – that of helping another person, and that of providing a glow of satisfaction to the helper. Philosophers and psychologists may disagree on which consequence is related to the motive and which is the unintended side effect in such a situation (James, 1890), but the premise still stands (Sober, 1995). This casts things in an ever stranger light – because giving money to charity can provide a glow of satisfaction, the self-serving extreme egoist who cares nothing for others may well donate as regularly as the extreme altruist, who puts the benefit of others before his or her own, and doesn't value the glow received. There will obviously be side effects in both cases.

While PE theory certainly appeals to our cynical side, it is flawed in that it suggests that individuals have little insight into their own motivations, which seems unlikely. Neither does it explain heroic actions such as a soldier stepping on a grenade to save his fellow soldiers (Duska, 2006). In this example, there is simply not enough time for the individual to experience a glow of self-satisfaction, so there must be another motivation involved! If evolution is all about survival of the fittest, then why do people give to

charity at all? While some theorists consider altruism a strategy to ensure reciprocation (Trivers, 1971), it seems that there is some element that allows people to sometimes put others before themselves (Hume, 1751) at least some of the time.

Enlightened egoism or self-interest refers to deliberate acts which are in the long-term interest of the individual or business in light of their broader context (Wiley, 1995). This is the philosophical viewpoint held by proponents of strategic corporate social responsibility, such as Michael Porter, who argue that companies should only consider society or the environment when it is in the best interests of the company to do so (Grose, 2007). Classical theorists Thomas Hobbes and David Hume disagreed with romantics such as Jean-Jacques Rousseau, who considered people fundamentally altruistic (although easily corruptible), but observed that self-interest could often improve society as a whole and not just the lot of the individual (Gintis, 2006).

To illustrate: studies show that by 2030, more than one in three human beings will not have enough clean water to drink (Zolli, 2007). Companies of any size which intend still doing business in 2030 have a vested interest in addressing issues around their consumption of water and other natural resources to ensure that their supply and demand factors are protected, and that their profitability is sustainable. Sustainability is in fact often the key term when discussing a company's enlightened self-interest. While some academics argue that self-interest is another word for greed (Murove, 2007), other writers maintain that enlightened self-interest is very different to plain selfishness, because of the consequences of co-operation and integrity (Crook, 2002).

In reality, people are unlikely to be extreme in their behaviour, and tend to be concerned both about themselves (egoists, even if enlightened ones) and about other people (altruists). Companies involved in the philanthropic sphere of corporate social responsibility, who are not acting in order to comply with the law or society's ethical expectations (Carroll, 1998) may well be acting out of a genuine desire to help the less fortunate. However, the consequences for the company in terms of realising benefit in both the short and long term are no less real for being a side effect, and can be used to



construct a business case for giving. Where arguments for altruism for altruism's sake fail, an argument that social involvement is in a company's enlightened self-interest is more likely to convince someone with mixed motivations. This case study focuses entirely on the benefits to the company, and specifically on the glow of self-satisfaction as a benefit to staff, although it is not clear that this is the primary motivation for the company's activity.

## **2.2. Corporate Social Responsibility (CSR)**

### **2.2.1. Historical Development**

The debate around whether or not companies should be concerned with social issues centres around the question as to the purpose of a company. According to Archie Carroll, an important contributor to the body of knowledge on corporate social responsibility, a company originally existed to create wealth, abide by the law, and not actively do harm (Carroll, 1998). While firms in previous centuries certainly did harm to the environment and workers were no doubt exploited, an important point is that companies were simply not of the size that they are today, and the impact they were having was contained (Bernstein, 2000). Arguably, there was no need for them to take much responsibility for the people and land around them.

The industrial revolution made previously unthinkable expansion possible, and ownership and management became separated (Sachs, 2006). This separation opened companies up to a potentially reduced concern for ethics and a focus on short-term profits rather than sustainability (Crook, 2006). A recent article refers to William Blake's "dark Satanic mills" as being a fairly accurate description of industry at the time (Smith, 2003). However, up to a century ago company businessmen such as Henry Ford already maintained that the purpose of the corporation was to: "do as much good as we can, everywhere, for everybody concerned...and incidentally to make money" (White, 2005).

Clearly the notion that a business exists for reasons other than pure profit was already established. In the 1920s major evidence of a growing sense of social responsibility from business was the Community Chest movement (Heald, 1970). In 1954 a landmark US case, the *Smith Manufacturing Company Case*, established the "business judgment rule." This meant that companies were allowed to make contributions that in their judgment would benefit shareholders – even if no direct link were evident (Stendardi Jr., 1992). However, consumer pressure on business to make social contributions remained very low relative to today (Carroll and Buchholtz, 1998).

The late twentieth century saw an intensified focus on short-term profit, propelled by stock market capitalism. In the mid-eighties a mass of mergers and acquisitions focused on short-term value symbolised the height of the shareholder view, but public pressure for a broader set of values also began mounting (White, 2005). Carroll and Buchholtz note a number of factors which contributed to put pressure on business, including a revolution of rising expectations amongst consumers, an entitlement mentality and the growth of rights movements. There has also been a “revolution of rising sensitivities”, manifested in the various recent lawsuits against fast food manufacturing companies and tobacco companies (Carroll and Buchholtz, 2006). During the conspicuous consumption of the eighties, the gap between rich and poor continued to widen, and elements such as global warming and the AIDS scourge began to pose a serious threat to future quality of life (Triologue, 2004). Environmental scandals also increased public scrutiny of business activities (Scherer and Palazzo, 2007), along with corporate failures such as Enron, Worldcom, Quest, Arthur Andersen, Tyco, Global Crossings and Imclone (Carroll and Scherer, 2003).

The past few decades have seen an increasing emphasis on the importance of values in business (Frederick, 1998). Authors such as Jonathan Haidt warn of the danger of complete freedom from a social web of norms and morals, even referring to the sociologist Durkheim’s proven correlation between a lack of values and suicide rates (Haidt, 2006). Popular neo-traditional thinking focuses on how culture can move organisations towards a common purpose, and help to provide meaning to employees in a

society of fragmented values (Fischer and Lovell, 2003). Authors such as Stephen Covey emphasise the importance of psychological growth and the rejection of materialism within an organisational context (Covey, 1992). Clearly business is no longer just about making money at all costs. The late Roberto Guizueto, once CEO of the Coca-Cola company, listed the four main reasons why business should give back: business needing to set an example; business needing to fill the gap left by community institutions such as the church; business having a stake in civil discourse, and, most interesting to this dissertation, business needing to create a culture of tolerance and giving to ensure development of staff (Carroll, 1998).

Against this backdrop, the idea of a corporate social contract began to emerge strongly in the early 1990s, focusing on a two-way interaction between business and society, with certain obligations attached to both (Donaldson and Dunfee, 1994). This represented a significant development in thinking, and a shift from society owing business for employment and quality of life to business acknowledging a debt to society for their profitability (Lantos, 2001).

### **2.2.2. The CSR Debate – Does Business Have a Responsibility?**

In the past few years, corporate social responsibility (CSR) has become a hot topic, and pressure on companies has mounted. Of the 250 largest multinational corporations, 64% published CSR reports in 2005 (Porter and Kramer, 2006). Even corporate critic Naomi Klein, author of *No Logo*, refers to a “massive shift” in a more socially responsible direction by many large companies, although she views the response as haphazard at best (Klein, 2000). A recent Economist survey on CSR refers to the current prevalence of CSR activities as the tribute capitalism is paying to virtue, noting that: “CSR has distilled a widespread suspicion of capitalism into a set of demands for action” (Crook, 2005:3).

However, the debate around whether companies should be concerned with society at all has also deepened. There are two broad schools of thought – firstly that business exists

only to serve shareholders (and through this will best serve society), and secondly that business has a moral duty to the society which gives it a licence to operate and needs to approach CSR as an issue discrete from its motives of profit (Moir, 2007). Enlightened self-interest, which says that a firm should invest in society because it is inextricably bound to society, and because it can reap rewards of sustainability and improved reputation by practising CSR, represents a bridge between the two views (Stendardi Jr., 1992), and has been well-articulated by Michael Porter (Porter and Kramer, 2002; 2006).

Even if one is an altruist, and even if one acknowledges that the social need for intervention is dire, it cannot be taken for granted that social responsibility is a necessary or good course of action for a business. Let us further examine the notion that business cannot serve stakeholders because its primary duty should be to shareholders.

What if we assume that two firms were to produce an identical commodity – but one is focused on maximising profits, and the other engaging in discretionary philanthropic activities such as donating to charities and uplifting stakeholders. The lower profit margins of the charitable company will at some point mean that the cost will be passed on to consumers in the cost of the product. Consumers will buy the cheaper product; the socially responsible company will go out of business and be forced to lay off employees; stakeholders will be out of work and consumers will ultimately suffer from the decreased competition (Coors and Winegarden, 2005). This shows how CSR may put businesses at risk, as they could be obliged to internalise costs in a highly competitive global marketplace (Carroll and Buchholtz, 2006).

While this may seem like an extreme scenario, the essential problem is that companies have financial investors who have given over their money in the expectation of it growing. While these shareholders may want the company to comply with the law and other ethical duties, value is regarded as a purely financial concept. This understanding of business is called Value Based Management (Rüdel, 2003).

That firms exist primarily to make money is not generally disputed. President Clinton has commented on the importance of profits in a speech: “The most fundamental responsibility of any business in a free-enterprise system is to make a profit...” (Bill Clinton in Carroll, 1998: 2).

The question is at what cost these profits, and to what extent companies should go beyond compliance to proactive concern for broader stakeholders and the environment, especially when this may put their profits at risk. Robert Reich, who served as Labor Secretary in the Clinton Administration, put it succinctly: “Don't believe for an instant that a company is going to sacrifice profits for the sake of social goals” (Robert Reich in Coy, 2007).

Certainly, any company focused too closely on keeping all stakeholders happy is also sure to quickly go out of business (Coors and Winegarden, 2005). Nobel Laureate in Economics, Milton Friedman was emphatic about a focus on profit in his controversial 1970s argument, stating that business has no business *at all* being socially responsible (Friedman, 1970). He argues that this is for simple economic reasons – management is responsible for increasing shareholder value, and any other activities merely create situations where their eye could be taken off the ball (Fischer and Lovell, 2003). Friedman makes a clear distinction between the economic and political spheres, with individual choice being the principle on which the economic sphere operates, where nobody is obliged to enter into contract with anybody else. The political sphere, however, is based on conformity, where the collective interest is primary. In his view this is why governments alone are responsible for social issues, and businesses cannot be (Roussouw, 2005).

Friedman also refers to the ethical duty that management has to shareholders to increase profits, but denies that they have such an obligation to society (Friedman, 1970). While Friedman did not deny that individuals have a responsibility to society, he denied that companies, firms and corporations have such a responsibility, on the grounds that only moral agents have responsibilities, and business organisations are not moral agents. He

therefore held that CSR can only be justified if the proprietor is the only shareholder, or if the firm stands to benefit from the CSR activity (Rossouw, 2005).

This brings another ethical debate to the fore – whether or not a business can be considered a moral agent with duties. Certainly, it is not immediately clear whether corporations should be treated as persons or as property by the legal system (Richardson, 2001). The renewed interest in applied ethics in the professional world because of questions like this has created considerable interest amongst philosophers and academics (Held, 1984).

Peter French, an influential thinker in the area of metaphysical status of a corporation, asserts that corporations should be regarded as agents because their decisions are rational and guided by their collective interests, and because they can be held accountable through their corporate internal decision structures (French, 1979). He also refers to corporations as having intentionality, and suggests that a corporation can be held responsible for any action which is committed intentionally, even negligent actions (Smith, 1994). French calls this the Expanded Principle of Accountability (French, 1992).

Some writers maintain that while the corporation has moral responsibility, it is limited (Ewin, 1991) – like the responsibility society expects of a child (Richardson, 2001). Others make a simpler argument, namely that because a company comprises individuals it is irrelevant whether a company is a moral agency – the individuals remain bound by their own moral duty to behave responsibly, and their values are bound to that of the company (Christensen, Andrews and Bower, 1978). Kenneth Goodpaster proposes a “principle of moral projection” to draw an analogy between individuals and companies, and show that companies are not amoral (Goodpaster, 1983).

The question around the moral nature of a company is obviously a difficult one – in a small company with one owner who is also the manager, a moral conscience can easily be identified, and blame attributed. With a larger organisation, the answer extends from who “owns” the company to the decision-making group, and whether there is a moral

consciousness and corresponding obligation attached to a group decision (French asserts that there is, because there are formalised decision-making structures). If a corporation is not amoral, then it can be held accountable for its actions, and needs to consider its impact on others much as individuals should do (Arnold, 2006).

Friedman also maintains that business should not be socially responsible because business is no good at it (Friedman, 1970). He argues that as executives are not publicly elected civil servants, they have no mandate or expertise to be involved in politics, and should concern themselves only with making money for shareholders, which is their strength. While businesses may not have been equipped to handle the responsibility in the past, this seems far fetched in our current context. In fact, Michael Porter argues that businesses are often best positioned to deal with social issues, due to their significant accumulated knowledge and experience (Porter and Kramer, 2002).

The crux of Friedman's argument is nevertheless that firms are only answerable to their shareholders, so must relentlessly pursue value for them, stopping only when they are in danger of breaching the law (Friedman, 1970). He moreover maintained that the blinkered pursuit of profit should actually have positive consequences for other stakeholders. The idea of individual self-interest achieving the public good is known as the theory of the "invisible hand" of the market (Crook, 2005). This concept was introduced by Adam Smith in his book, *The Wealth of Nations* in the eighteenth century:

By pursuing his own interest (an individual) frequently promotes that of the society more effectually than when he really intends to promote it. I have never known much good done by those who affected to trade for the public good. It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest (Smith in Crook, 2005:13).

Smith, a Scottish philosopher, maintained that capitalism was the only path to a nation's success, as the strong would naturally pull the weak along with them as they grew even stronger (Woller, 1996). He also explained that the market would produce what society desired, and all shortages or surpluses would be taken into account. The "invisible hand"

argument says that the market gives us exactly what we want. For example, petrol stations would begin selling biofuel immediately if they believed that consumers were willing to pay the premium required to produce it profitably. The fact that it cannot be produced profitably means that consumers do not want it enough (Coors and Winegarden, 2005). In fact, even though fuel prices continue to increase, the amount of SUVs grew by almost 8% in 2004 (Doane, 2005)! Applying the invisible hand theory means that stakeholders would actually be best served by companies who ignore them in favour of shareholders (Rodgers, 2005).

However, while the “invisible hand” theory is alluring in its simplicity, a quick look at the state of humanity reveals it as being impractical in a modern and complex world (Okun, 1981). While self-interest can certainly be useful in advancing the interests of society, there are two necessary conditions for this: there must be competition, and prices must reflect the true social costs and benefits involved (Crook, 2005). In terms of the first provision, economist Joseph Stiglitz has proven that the market almost always lacks perfect information and perfect competition (Ethical Corporation Magazine, 2005). The interest of the shareholders is therefore very likely to conflict with the interests of other stakeholders. There is also a critical problem with pricing, as there are often externalities which are not reflected. For example, the prices of goods produced in a polluting factory do not include the cost of the pollution’s future social impact (Crook, 2005). If they did, people would not purchase them, and social requirements would dictate company activity.

It is also important to remember that an industrial revolution has occurred since *The Wealth of Nations* was written, and firms have dramatically changed their behaviour, seeking to internalise benefit while externalising cost for the past two centuries (Sachs, 2006, Ethical Corporation Magazine, 2005). The standard business model of partnerships has also changed, with ownership and management no longer being one and the same and reckless decision-making with a short-term focus less likely (Sachs, 2006). Even Smith raised concerns about the joint-stock partnerships that began replacing private-partnership corporations as owners could no longer raise sufficient capital to fund their



ongoing expansion. He was in fact quite right about the potential impact on society of monopolies and business influence on the legislature (White, 2005).

Some academics actually suggest that if Smith's first book, *The Theory of Moral Sentiments* (published in 1759) is considered along with *The Wealth of Nations* (published in 1776), then it is evident that he had doubts about the efficacy of the invisible hand. In the first book he did in fact give great importance to the role of morality in tempering self-interest and regulating affairs (Woller, 1996).

A lawyer who strongly disagrees with the "invisible hand" theory is Christopher Stone, who proposes that while Friedman is correct about market forces being geared to efficiently allocate economic resources, he has neglected to mention that they are not efficient in satisfying social needs (Stone, 1975). This is because the assumption that a consumer will stop supporting an irresponsible company is based on the following:

- the person must be aware that they are being injured by the corporation
- they must know where to apply pressure to affect the corporation
- they must be able to apply this pressure
- any pressure they apply must cause constructive change (Rossouw, 2005).

The scenario of a consumer being harmed by future environmental pollution by a company in the supply chain for his breakfast cereal makes it clear how difficult it is for the above assumptions to be met.

There are a number of academics who argue against the liberal notions of self-interest being a primary motivation, and economic relationships being purely instrumental (Woller, 1996). Some CEOs do genuinely care about fostering economic development, upholding human rights and promoting environmental sustainability (Vogel, 2005).

The idea of business being accountable and using its considerable power to save the world feels good and it feels right (Novak, 1996). Statistics on poverty are staggering, and dismal evidence is at every traffic light in major South African cities. As governments falter in providing assistance, so people look to business for a solution

(Crook, 2006). A recent article in *Business in Africa* magazine points out that business represents the most powerful force for wealth creation in any country, and therefore must have certain duties to society (Almona, 2005). There is currently a strong argument for business to become involved with communities even in terms of policy making and socio-economic planning (Boehm, 2005; Gunningham and Rees 1997), as they have the expertise.

That modern businesses have clout cannot be disputed – multinational companies such as Exxon-Mobil, BP and Shell are reporting revenues in excess of a *quarter of a trillion dollars* (White, 2005). This kind of turnover, and the supply chain and employee networks that are associated with it, were unheard of a decade ago. It really does seem as if the future of the globe is directly linked to the current behaviour of companies (Fischer and Lovell, 2003) and how they relate to their stakeholders, including suppliers, customers, employees and community members (Rüdel, 2003).

Edward Freeman, a proponent of stakeholder theory, proposes that a firm has duties to all stakeholders. This means that the parties mentioned above, including the local community, are all invested in the firm and need to be compensated for their contributions (Freeman, 1984). Freeman argues that not only may corporations not violate the rights of stakeholders, they are also responsible for the effect of their actions on stakeholders, where a stakeholder is defined as anyone vital to the survival and success of the corporation (Roussouw, 2005). There is legal precedent for this thinking (Langtry, 1994).

It may seem that this view is in opposition to Friedman's. In fact, while Friedman is often quoted as saying that management is duty-bound to shareholders to make as much money as possible, the second part of his statement is generally left out. He actually went on to say: "...while conforming to the basic rules of society, both those embodied in the law and those embodied in ethical customs" (Friedman, 1970:1).

It is clear that he did see a role for business beyond the economic one, rather than profit at all costs. If the ethical expectations of society were to extend to active philanthropy by a company, then this would have to be considered alongside profit.

Similarly John Kay, author of *Foundations of Corporate Success*, urges companies to balance their focuses, rather than aligning all resources with financial goals or with employee interests (Pearce, 2003). Another CSR writer, Kenneth Goodpaster, argues that all stakeholders must be considered, yet preference should be given to shareholders (Goodpaster, Maines and Rovang, 2002). Saia, Carroll and Buchholtz present a similar view:

The business organisation as a legitimate societal institution has a critical role to play in the maintenance of societal infrastructure; yet, it must also respect the fiduciary responsibility it has to investors (Saia, Carroll and Buchholtz, 2003:170).

Many authors and academics now present a business case for CSR, highlighting the potential for increasing profit by considering broader stakeholders (Doane, 2005). A further development in thinking around CSR has been the recognition of the interdependence of business and society.

### **2.2.3. Enlightened Self-Interest: A Business Case for CSR**

There is evidence that while people are not always selfish, they often tend to be self-interested (Harford, 2006). Self-interest is not the same as selfishness, which implies being self-interested at the *expense* of others. Clearly, not all self-interested actions are selfish (Solomon and Rachels, 1983). However, given the tendency to be motivated by self-interest, a strong business case needs to be built up if any social investment is to occur. This would lead to both the alleviation of human misery and the advancement of corporate goals. In the words of former United Nations' Secretary General Kofi Annan

(2001): “a happy convergence between what your shareholders want and what is best for millions of people the world over” (Kofi Annan, in Margolis and Walsh, 2003).

Public pressure has played a significant role in the increased call for business to be responsible. The “Iron Law of Responsibility”, a concept that has been around for thirty years, says that if power is not used responsibly it will eventually be taken away (Carroll and Scherer, 2003). If government intervention is not sufficient, non-governmental organisations (NGOs) and the public will often begin to regulate. By using market mechanisms via consumer power, NGOs have influenced pressure on business where government has failed to do this. This can be seen as NGOs partnering with the enemy to achieve their cause (Doane, 2005). While a company may not be easily persuaded by a moral argument, it is very likely to be persuaded by a business case.

Simon Zadek, author of *The Civil Corporation*, notes that corporations tend to respond to CSR pressure in four ways. Firstly they may adopt a defensive approach, which attempts to avoid the pain of increased costs. Secondly, they may adopt a cost-benefit approach to CSR, implementing it only if the benefits outweigh the costs. They may also attempt a strategic approach, incorporating CSR into their company strategy for success. Lastly, firms can look to CSR to enhance their understanding of the marketplace and encourage organisational learning. All of the reasons above constitute a business case for involving firms in socially responsive behaviour (Zadek, 2001).

A recent study revealed brand enhancement and improved staff morale to be the most important internal benefits of CSR (Economist Intelligence Unit, 2005). It is important to make it clear that a company motivated by the business case would still be primarily focused on profits, with the social initiatives seen as a path to profit, or at least to avoiding the erosion of costs. There is obviously a big difference between a company practising social responsibility out of a sense of moral duty or benevolence (the normative case) and a company investing in CSR out of self-interest (the business case) (Smith, 2003). While the notion of a company acting out of kindness may be criticised for being utopian, the idea of a company pretending to care about more than making

money purely in order to make more money can be condemned for being morally vacuous (Sherer and Palazzo, 2007). To realise either of the two benefits mentioned above, the self-interested company would need to clearly communicate its social responsibility to its stakeholders, be they consumers or employees (Schuler and Cording, 2006). That the publicised good deeds are motivated by self-interest is illustrated by a quote from a recent article:

Just because the advertising comes in the form of social responsibility, it does not make it any less like advertising. A firm would no sooner make an anonymous donation to a charity than it would buy 30 seconds of silence on the radio (Coors and Winegarden, 2005:11).

Zadek refers to five distinct factors putting pressure on business to become involved with corporate social responsibility:

1. A global information society means that it is difficult to cover up irresponsibility in previously hidden areas (such as third world countries)
2. Financial markets have realised the dangers of short-term strategies that don't take into account long-term sustainability, and will become reluctant to provide funding to parties not sharing the same mindset
3. Global companies not engaging properly with local communities will suffer in terms of profits
4. Global competition necessitates co-operation between companies – a company without proper ethical practices may find itself out of the supply chain
5. Public policy issues lead to companies in a category trying to keep up with the current leader in ethical practice (Zadek, 2004).

Ian Davis, Worldwide Managing Director for McKinsey & Company, explains the importance of changing demand factors:

Industries are being completely reshaped by consumer pressure – the fast food industry by concerns about obesity, the healthcare sector by the need to provide affordable drugs (especially anti-retrovirals), and the financial sector by scandals

over false advertising and misleading the consumer. These kinds of changes put billions of dollars of shareholder wealth at risk (Davis, 2005).

Clearly, many companies are being good primarily because it is good for business (Doane, 2005). Porter and Kramer's thinking around a long-term interdependency between business and society represents the latest development in a business case for CSR, and paints a less cynical picture. The central premise is that the relationship between business and society is a two-way street, and that a company cannot hope to thrive in an unhealthy community (Stendardi Jr., 1992). Porter and Kramer explain how corporate social responsibility can be used to improve the competitive context of a firm by protecting the firm's factor conditions (Porter and Kramer, 2002). In contrast to Friedman, Porter and Kramer maintain that companies *need* to have an interest in the political sphere to ensure their economic prosperity (Porter and Kramer, 2002 and 2006).

The argument is as follows – as no company exists in isolation, but is rather constantly dependent on external inputs, it is in any company's best interests to ensure that the inputs are well cared for. Porter's four elements of competitive context are:

- Factor conditions: the availability of high quality, specialised inputs (including human resources)
- Related and supporting industries
- Demand conditions: the presence of sophisticated and demanding local customers
- Presence of local policies and incentives, such as intellectual property protection, which encourage investment and sustained upgrading (Porter and Kramer, 2002).

A good example of how the human resources element of factor conditions can be improved is in Cisco's development of Networking Academies, where network administrators are trained. Adopting a long-term view, Cisco has realised that they will need good network administrators to be competitive in the future, and so has set up schools in various underprivileged communities across the world. Cisco is uniquely

positioned to supply training to potential network administrators – who better to provide training than the industry experts? There is obvious benefit to the community, as almost 10 000 academies were set up in 2002 (Porter and Kramer, 2002; Doane, 2005).

Porter and Kramer argue that business and society are inextricably linked, and that companies need to address social issues that intersect with their line of business. They divide social issues into three classes:

- Generic social issues, areas which are not affected by the company's activities nor which impact on company's competitive context
- Value chain social impacts, areas which are impacted by a company's activities
- Social dimensions of competitive context, which are issues impacting on a company's competitiveness (Porter and Kramer, 2006).

An example would be a company supporting a dance school. This may be a generic social issue to a mining company but could improve the competitive context of a credit card company, which benefits from a thriving entertainment industry. The success of the company and the community become mutually reinforcing (Porter and Kramer, 2006).

Corporate social responsibility can often also be the most cost-effective way of influencing factor conditions – it is cheaper to donate to a nearby university than to invest in in-house training schemes. It is clear that both the Cisco Academy and the local university will be used by people who won't eventually work for the donors, and may in fact work for the competition. Porter is emphatic that the "free rider" element does not diminish the value of what he terms "strategic philanthropy", for two main reasons: firstly, only local companies will benefit from the improved context, meaning that companies not in the immediate vicinity will still be at a disadvantage. Secondly, what constitutes an improvement in context for one company may well not be of benefit to another company, as context is dependent on strategy (Porter and Kramer, 2002).

Porter's use of the term "strategic philanthropy" has an inherent contradiction, as a philanthropist is defined by the Oxford Dictionary as "a lover of mankind; one who

exerts himself for the wellbeing of his fellow men” (Fowler and Fowler, 1964). This means that the act of giving is voluntary. In contrast, the definition of strategy involves securing preferential conditions for oneself in a situation involving an enemy (Fowler and Fowler, 1964).

It is important to recognise that there is a danger in instrumentalising philanthropy – the same danger as lies in instrumentalising ethics (Stanford Encyclopedia, 2004). Utilitarianism, a view held by philosophers such as Bentham and Mill, considers the action which would bring about the greatest good for the greatest number of people to be the moral one (Morton, 2004). According to the Immanuel Kant, however, the principle of an action is what is morally relevant, rather than the consequences (Solomon and Hanson, 1983). Kant was a deontologist, from the Greek “deon”, meaning obligation (Haidt, 2006). Something is the right thing to do because it is the right thing to do – not because it is the most efficient instrument for achieving something. For example, a company appearing to behave in an ethical manner by donating to the poor may only be doing it for the consequences of the action – perhaps increased sales as a result of cause-related marketing around the donations. According to Kant, this is always morally wrong because it involves using people (in this case the poor) as a means to an end (Morton, 2004). A company donating to the poor because a categorical imperative deems it to be the correct action, regardless of the consequences, is a very different scenario indeed. It is important to note that the consequences in the two examples are exactly the same for the recipients – they receive a donation.

While bringing ethics into business could create a moral inclination to reduce opportunism, increase whistle-blowing and even provide a competitive advantage, bringing business into ethics could exclude voluntary commitment (Van de Ven, 2003). Writers such as Thomas Jones argue that there is potential for a convergent stakeholder theory, which combines normative and instrumental elements and creates ways for managers to work which are both moral and workable (Jones and Wicks, 1999).



Clearly there is a strong business case for companies to integrate corporate social responsibility into their strategy, for both short-term and long-term reasons. A recent worldwide survey showed that 85% of investors and executives felt that corporate responsibility is currently a “central” consideration, almost double the figure of five years ago (Economist Intelligence Unit, 2005). Many authors create a strong business case for strategic or “win-win” CSR (Lantos, 2001; Chandler, 2005).

If the concern about instrumentalising ethics and valuing the consequence over the motive is set aside, we can recognise that the strategy of using a business-focused argument can play an important part in persuading companies to embrace CSR (Conner, 2007).

The question for companies at present is how to move from philosophical concepts to action – and how best to implement philanthropic or socially responsible practices to ensure that the competitive context of the firm is improved (Czerny, 2005).

There has recently been much debate about how corporate philanthropy should be implemented to be most beneficial to the recipients. While this topic is largely outside the scope of this dissertation, it warrants brief discussion. A *Harvard Business Review* article by Rosabeth Kanter highlights how CSR often only scratches the surface, having no significant effect and requiring constant reinvestment. An example is given of American public schooling, where despite an estimated 200 000 business partnerships with educational institutions over the past few years, little has improved in the past decade. The author maintains that the reason for this is partly the lack of commitment and involvement of organisations, which donate to a charity, and then walk away. She sums the problem up:

The fact is, many recipients of business largesse often don't need charity; they need change. Not spare change, but real change - sustainable, replicable, institutionalized change that transforms their schools, their job prospects, and their neighborhoods (Kanter, 1999).

Again, a non-traditional approach to social investment is advocated, with programmes that enrich societies having additional benefits to the company involved, mostly in terms of market insights and testing grounds for innovation (Kanter, 1999). Kanter identifies certain criteria that need to be in place for a successful private-public partnership, namely:

- a clear business agenda,
- strong partners committed to change,
- investment by both parties,
- rootedness in the user community,
- links to other community organisations and
- a long-term commitment to sustain and replicate the results (Kanter, 1999).

Van Buren notes that observable outcomes are critical to stakeholder perception. For example, merely making provision for improving employee welfare (eg with a flexi-time arrangement) has no impact on the social performance of the company in the employee's opinion. The outcomes need to be clearly observable (Van Buren, 2005).

#### **2.2.4. The Link between CSR and Company Performance**

There is currently little hard evidence to show that a company's financial performance is improved by engaging in socially responsible activities (Vogel, 2005). Research conducted in 1997 on sixty-two companies reported an inconclusive relationship between corporate social performance and corporate financial performance (Griffin and Mahon, 1997). In fact, a recent *Harvard Business Review* analysis showed that over the short term, responsible companies such as Marks and Spencer, Levi Strauss and The Body Shop were generally producing poorer results than their less socially minded counterparts. This was not a result of their Corporate Social Responsibility (CSR) activities – rather, CSR was shown to be an irrelevant factor in terms of their financial performance (Vogel, 2005). Similarly, an article in the *Journal of Investing* evaluates the past 30 years of studies around the CSP (Corporate Social Performance) and CFP

(Corporate Financial Performance) relationship, and again finds no significant relationship between good CSP and improved CFP (Orlitzky, 2005).

However, the majority of studies also overwhelmingly show no clear correlation between investing in CSR and losing money. The implication is that there is no proven risk attached to embarking on a CSR programme. Some academics have found a link between social performance and profits, but only in the long term. The five criteria identified as having potential benefit are environmental performance, advancement of women, advancement of minorities, charitable giving, and community action (Erfle and Fratantuono in Wagner, 2003).

An accounting definition of CSR would certainly reveal any expectation of financial return. CSR is defined as:

an unconditional transfer of cash or other assets to an entity, or a settlement or cancellation of its liabilities in a voluntary nonreciprocal transfer (Financial Accounting Standards Board [FASB], 1993: 2, in Godfrey, 2005).

While no reciprocity is expected from the beneficiary, the definition leaves out the possibility of other impacts on the balance sheet through increasing the value of intangible assets such as trust. A company's intangible assets tend to be non-physical and rooted in knowledge. They can be grouped under the following categories:

- Human capital – knowledge assets, leadership and skills
- Organisational capital – communications and strategy
- Market capital – reputation, brand development, alliances and networks and adaptability
- Innovation capital – R&D capability and technology (White, 2006).

When the benefits of behaving responsibly were considered in the past, the focus was generally on two things: long-term cost savings through ecological production methods, and the ability to charge a premium for an ethical or “green” product (Pearce, 2003). Benefits in the form of intangible assets which would underpin the business case include

enhanced reputation with consumers (more trust) and positive effects on talent: successful attraction and retention as a result of improved morale (CSRwire, 2002).

Let us look at improved reputation first. Paul Godfrey, in a recent *Academy of Management Review* article, argues that: “Corporate philanthropy can generate positive moral capital among communities and stakeholders.” (Godfrey, 2005:777) The benefit to reputation cannot be underestimated, especially in an environment of increasing consumer pressure (Doane, 2005). CSR can even be viewed entirely as a response to increased regulatory scrutiny, a global 24-hour news cycle, consumer activism and frustration with big business scandals (Grow, Hamm and Lee, 2005). A company needs to ensure that the state of its supply factors is appealing to its socially aware demand factors.

Appeasing the consumer through publicised social responsibility is not always that simple though. A teething problem with regards to enhanced reputation is that reporting on responsible activities may draw attention to any inadequacies in the company’s activities, and actually result in negative publicity (Idowu and Towler, 2004). It can also be argued that consumers and potential employees are more likely to make a decision about whether or not to engage with a company based on lack of compliance, or active damage to society, than they are based on philanthropic behaviour, which is not actually required by the law or society (Carroll, 1998). In other words, while there may be an outcry if a company starts polluting a river, there may not necessarily be an increase in loyalty when a company embarks on a project to breed fish.

Schuler and Cording, in a 2006 paper, suggest that the amount of information about a firm’s social initiatives reaching consumers is a critical element in creating a link between good work and increased profits (Schuler and Cording, 2006) Moreover, the type of information (and initiative) to which the public will respond supportively differs from consumer to consumer, as moral values differ (Schuler and Cording, 2006; Wood and Jones, 1995).

Nevertheless, the case for demonstrating responsible behaviour to consumers is strong – a recent survey of the American public suggested that technology is rapidly improving consumer awareness of which companies are behaving in socially responsible manner and which are not. Fifty-eight percent said that they were more informed about this because of the internet (Fleishman-Hillard, 2005). A more favourable perception in the eyes of the consumer has obvious value to the relationship-based intangible assets of a firm, and ultimately can contribute to shareholder wealth (Godfrey, 2005).

The second major area where businesses perceive there to be a positive impact from CSR practices is staff morale and culture (CSRwire, 2002). It is easy to see how corporate philanthropy could have an impact on culture in terms of trust. Research into what makes people trust other people shows that exhibiting benevolent concern is an important factor. (Other factors include whether the trustee shows predictability and integrity, and whether the parties have good communication.) (Hurley, 2006) From this we can assume that when company leaders demonstrate concern for those less fortunate, staff will be more inclined to trust them.

Research shows that there is a correlation between business performance and three of the four major positive emotions in staff: joy (happiness, amusement, elation), interest (curiosity, intrigue, excitement or wonder) and love, which refers to emotions felt towards specific individuals. The fourth positive emotion is contentment (Frederickson, 1998). Demonstrating a commitment to corporate social responsibility and involving employees in the practices could be a way of introducing the kind of love encompassed in the Greek word *agape* – meaning caring and seeking for the good of another person, or the Sanskrit word *metta*, meaning kindness (Secretan, 2000). The CSR needn't involve the welfare of outsiders – it could simply refer to socially responsible behaviour towards a company's own employees. Starbucks has an employee turnover a third that of the average comparable company, a fact attributed to their socially responsible practices (Smith, 2003).

Increasingly, employees are also demanding responsible behaviour from companies. A 2003 study in the UK showed that twenty-one percent of respondents felt that it was essential that their employers take their responsibilities to society, the environment and the communities in which they operate seriously, and forty-nine percent felt it was very important (Business in Society, 2003). While only a limited number of empirical studies have explored the connection between CSP and CFP when employees are the relevant stakeholder group (Van Buren, 2005), there is evidence that a number of companies have shown an improved ability to attract and retain talented employees through their socially responsible behaviour (Grow *et al*, 2005).

Younger people especially are increasingly aware of their rights and of their ethical duties towards society and the environment. Recent British research shows that corporate social responsibility is an increasingly dominant factor in attracting and retaining young talent, with a study of over 1 000 hours of volunteer work revealing higher retention rates amongst volunteers, as well as improved job satisfaction levels and significantly reduced absenteeism levels (Little, 2003). Graham Codrington, in his book *Mind the Gap*, refers to very distinct behaviour in different generations (Codrington and Grant-Marshall, 2004). While the research for the book was done in the United States, the descriptions are loosely applicable to South Africans.

According to Codrington, Generation Y, born after 1980, are looking for more from life than a steady pay-check and nine to five employment. As Baby Boomers decline in the workplace, this generation is increasingly making up large chunks of the workforce, especially at the frontline. They want to integrate their home and work lives, and value connectivity, communicating constantly (Codrington and Grant-Marshall, 2004).

To put this into perspective, recent generations are said to have the following attitudes towards their work:

- Silents (born 1920s – 1940s): I work hard because its my duty to do so
- Boomers (1940s – 1960s): Work is self-fulfilling, it makes me feel important
- Xers (1960s to 1980s): I work to fund my lifestyle

- Millennials/Generation Y (born 1980s to 2000s): *My work will help to change the world* (Codrington and Grant-Marshall, 2004).

While news of a corporate scandal may not have spread quickly amongst isolated Generation Xers, the socially aware, technophile Generation Ys have the message across the world in minutes using the internet and other devices (Fleishman-Hillard, 2005). It is reasonable to assume that as they grow older they will become more of a hazard to companies not operating ethically, both as potential employees and as consumers.

However, if employees can be properly engaged through a strong culture, it means better performance. Performance can be put into a formula as being the product of ability and motivation (effort), where ability is the product of aptitude multiplied by training by resources, and motivation is equal to desire multiplied by commitment (Whetton and Cameron, 1998). Every firm wants a team of outstanding employees. However, according to Peter Drucker, it is statistically unlikely that a firm will manage to hire more than a handful of natural “above average” performers. The challenge is to: “make ordinary people do extraordinary things” (Drucker, 2006:152).

If motivation can be increased through corporate social responsibility initiatives, it could have a direct impact on a firm’s competitiveness (Porter and Kramer, 2002), and translate into financial performance.

There is still the challenge of measuring motivation and morale. Intangible assets are by definition difficult to quantify, with the simplest valuation being the difference between the market value of a firm and the net present value of its assets (Correia, Flynn, Uliana and Wormald, 2003). Cap Gemini maintains that the way intangible assets are managed accounts for 35% of most company valuations, and that these assets are concentrated in the areas of management, relationships and organisation. Within organisations, elements include workplace culture and human capital (Pearce, 2003). Although it is difficult to objectively rate one company’s culture and stability of employees against another beyond asking employees how they’re feeling, factors that can be considered are staff retention rates, amount of overtime worked, salaries in relation to turnover and amount of

applicants (Work and Family Unit, 2002). The amount of people wanting to work at a company is interesting to this case, as there is clear evidence that firms with records of corporate social responsibility are considered more attractive by potential employees (Luce, Barber and Hillman, 2001).

Caring for employees as well as causes close to the heart of employees can also benefit a firm. For example, Marks and Spencer started providing free meals for employees in the 1980s. The decision to do this was taken after Simon Marks paid a visit to a store and witnessed an employee fainting on the shop floor. It emerged that she did not have enough money to buy food that day (Pearce, 2003). Marks may have partly introduced the free meals policy because he felt sorry for the woman – but he certainly introduced it because his company was built around outstanding customer service, and he could not afford to have employees fainting in front of customers. The cost of the meals was compared with the cost of high staff turnover and loss of reputation with customers. In this example it is clear how activities which benefit stakeholders can also improve competitive context.

Another area where corporate philanthropy can contribute to competitive advantage through improved human capital is in the fostering of innovation. Through examining minority communities, Vodafone has developed a number of successful niche products to serve certain communities, including a blood-testing phone for diabetics and a speaking phone for blind customers (Pearce, 2003). How effective these and other initiatives are in benefiting the communities they target, and the social benefit relative to the resources invested is beyond the scope of this overview, save to say that a number of indicators have been developed for assessing both company and foundation performance (Center for Effective Philanthropy, 2004).

Beyond the expected benefits of improved reputation and staff morale, there is also a strong possibility that the companies embracing CSR as part of corporate strategy will show superior financial results in the long term, as their investment in stakeholders and resources will ensure their sustainability (Porter and Kramer, 2002). For example – a



company that doesn't have an HIV management programme for staff is likely to struggle with a diminishing workforce pool *as well as* consumer base in the future, just as a company polluting the water downstream from their factory will find the clean water it requires in short supply in decades to come (Crook, 2006). In both instances, the costs of bringing in resources from elsewhere will impact negatively on the balance sheet.

As mentioned earlier, potential investors are also likely to look at indicators other than current financial performance to determine whether to allocate funds to the company (Zadek, 2004). These indicators will include customer loyalty and employee satisfaction (CSRwire, 2002).

### **2.2.5. A Model for Understanding CSR**

If it is accepted that companies have some responsibility to society and a broader set of stakeholders, we need to ascertain the nature of the duty. The *Journal of Consumer Marketing* identifies three distinct types of CSR in practice today – ethical (avoiding societal harm), altruistic (doing something good, even if this causes some disadvantage to shareholders), and strategic (where the activity is to the advantage of the company) (Lantos, 2001).

Similarly, Davis and Blomstrom define CSR as having two components, namely protection (avoiding negative consequences) and improvement (producing positive results) (Davis, 2005). In both cases, it is clear that companies can go beyond merely not doing harm to actively attempting to do good. Carroll and Buchholtz maintain that an umbrella concept of corporate citizenship has three related ideas under it. The first is corporate social responsibility, which emphasises obligation and accountability by a company and is a result of social pressure. The second is corporate social responsiveness, which emphasises action as a reaction to the pressure, and the third is corporate social performance, which emphasises results for the stakeholders (Carroll and

Buchholtz, 2006). Corporate social performance is defined by Wood, building on the work of Carroll and Wartick and Cochran (Wartick and Cochran 1985) as:

a business organisation's configuration of *principles* of social responsibility, *processes* of social responsiveness, and policies, programs, and observable *outcomes* as they relate to the firm's societal relationships (Wood 1991:693).

Archie Carroll provides a comprehensive four-part definition of the responsibility of a company. A company has economic, legal, ethical and philanthropic duties, with the first two required by society, the third expected, and the fourth desired (Carroll and Buchholtz, 2006). It is important for this study to note that while the economic, legal and to an extent ethical duties are obligatory for most companies, the philanthropic dimension refers to voluntary participation, generally out of benevolence.

The economic duty of a company is to make a profit. Theodore Roosevelt said that: "The first requisite of a good citizen is that he be able and willing to pull his own weight".

(Carroll, 1998:2)

At this level, Carroll agrees with Friedman. All other responsibilities can be rested on top of this foundation, like a pyramid (Carroll, 1991). Secondly, a company needs to abide by the law, as laws are society's codification of right and wrong. Legal obligations would include compliance with the Sarbanes-Oxley Act, fulfilling contractual obligations, and abiding by laws protecting both employees and customers (Carroll, 1991). Laws often represent the minimum requirement for acceptable behaviour (Carroll, 1998). This is because they represent a point of agreement for the various parties involved, which is more likely to be a compromise of viewpoints than one extreme view. Laws are also retroactive – in that the problem they aim to address would have already been in plain sight for a while before the law is passed, law-making being the slow process that it is. So, for example, while a technology may exist to more exactly measure the impact of carbon emissions on the environment, the law requiring business to apply this measurement may only come into effect some years later. The rapid development of issues around the internet and genetic science are examples of the law lagging behind

technological development (Carroll, 1998). Economic and legal responsibilities are required by society, so there would be consequences should a company not fulfil these duties.

If laws represent codified ethics, then a company also has a duty to fulfil ethical duties which are not yet codified. Within organisations managers have a personal responsibility to behave ethically, as they are: "...the ethics teachers of their organisations" (Badaracco, 1997:65). Managers are also expected to behave ethically towards other stakeholders. This can be challenging, as there are few guidelines for distinguishing right from wrong in modern society (Sommers, 1998).

Philanthropy can be described as the desire to help humankind through acts of charity (Carroll, 1998) and as comprising three activities – voluntary service, voluntary association and voluntary giving for public or social improvement (Payton, 1998). Examples of philanthropy include the financial donations or the contribution of executive time to the community (Carroll, 1991). Philanthropy by corporations is desired by society, but not expected. That is, society is unlikely to consider a company to be unethical if it is not involved with philanthropy, but is fulfilling the other three duties (Carroll, 1991).

This four-part definition notes that there are different stakeholders involved at every level, and also observes that there are various modes of social responsiveness, namely reaction, defence, accommodation and reaction (Rossouw, 2005).

The general public has its own understanding of what Corporate Social Responsibility should mean. An open-ended American questionnaire showed that 27% of respondents think that it means commitment to employees (with mentions of wages, safety and generating new jobs), 23% associate it with commitment to communities and 16% believe it's related to quality of products. Interestingly, only 3% considered CSR to mean making charitable donations, which is obviously the philanthropic element of Carroll's definition (Fleishman-Hillard, 2005).

Companies which are actively involved in CSR through philanthropy need to be mindful of how they choose to implement their projects. According to *The Economist*, four kinds of CSR can be distinguished by placing the extent of their impact on social welfare and profits on a two-by-two matrix. For example, through donations a company may positively impact on social welfare but reduce profits. While it could be argued that this is an investment in promotion, on the face of it donations are to the detriment of shareholders (Crook, 2005). The most common form of CSR is that of enlightened self-interest, when a company raises both profits and social welfare (Crook, 2005). Cause related marketing is a good example of a social initiative that benefits both society and the business by raising money for a cause through the sale of a particular product (Varadarajan and Menon, 1998).

## **2.3. A Social Crisis**

### **2.3.1. Putting it in Perspective**

The CSR debate is fuelled by growing social inequalities and a desperate need for aid from some sectors of the population – both elements which generate a great deal of emotion (Margolis and Walsh, 2003). Although there are strong economic arguments against a company entering into corporate philanthropy for purely emotional reasons, or simply because it is the “right thing to do” (Friedman, 1970; Sternberg, 1997), the extent of the social crisis needs to be reviewed. This will enable a better understanding of the risk to factor inputs of competitive context (Porter and Kramer, 2002).

UN World Development Reports show that of the six billion people on earth, approximately four billion earn less than \$1 500 per year – that is, R750 or less per month. The World Bank expects this number to grow to six billion in the next 40 years, as population growth is coming from the lower income sector (Prahalad and Hart, 2002).

In 2004 almost one billion people, or a sixth of the world's total population, were living on *less than a dollar a day* (World Bank, 2007).

More alarmingly, the split between rich and poor is growing dramatically. The UN reports that in 1960, the wealthiest 20% of the world accounted for 70% of total income. By 2000, the figure was at 80%, while the contribution of the bottom 20% fell from 2.3 to 1.1% (Prahalad and Hart, 2002).

There are a number of reasons for this state of affairs. The world population increased from less than one billion in the early nineteenth century to a staggering 6.1 billion in the year 2000. Average per capita income grew even more, increasing by nine times over the same period (Sachs, 2005). Before the twin explosions of population and income, standards of living were very similar worldwide. However, while all countries have experienced some degree of growth since 1820, the amount of growth has been highly uneven. Economist Jeffrey Sachs asks the question: why have some countries failed to thrive?

The primary driver for change in countries such as Britain was undoubtedly the industrial revolution, with the invention of the steam engine marking a turning point (Crook, 2005). Suggestions as to why the revolution began in Britain, rather than any other country, include the individualistic nature of the population which had led to political liberty (as compared to a strict class system, as was in place in India), a geography providing proximity to trading partners, as well as reduced risk of invasion, and finally, resources in the form of coal (Sachs, 2005).

Sachs considers the factors which act against an economy:

- The vicious circle of being already impoverished, in which people are too poor to save the capital required to pull themselves out of poverty.
- Geographical factors, including that of having low resources and being landlocked. Conditions in the tropics are also ideal for deadly diseases such as malaria.

- Cultural issues, such as discrimination against women, which can hamper the transition to low fertility rates. While the richer half of the world is operating at “replacement” fertility rates, where a woman will have two children to replace her and the children’s father in the next generation, poor women are having five or six children, meaning that population is more than doubling with each generation. Families cannot afford to support their own children, and there is an obvious negative impact on resources. The effect of AIDS on the population is even more disastrous, as children are left to support a dying adult population.
- The imposition of trading barriers by other countries, often for political reasons.
- Lack of innovation, caused by the absence of a market through which to recoup any investment (Sachs, 2005).

The situation close to home is among the worst in the world, with the World Bank noting that while poverty is declining in Asia, it is still increasing in sub-Saharan Africa (World Bank, 2007). In 2001, three hundred million people in sub-Saharan Africa, or almost half the population, were living in extreme poverty (Sachs, 2005). A person who is extremely poor is in a household which cannot meet basic survival requirements – they do not have enough to eat, do not have access to safe drinking water, often do not have adequate shelter, and lack basic clothing such as shoes (Sachs, 2005).

AIDS is wreaking havoc with these already dismal statistics. The UN puts the total South African adult infection figure at 5.5 million, or 18.8% of population (UNAIDS, 2006). The epidemic had created over a million orphans by 2005, which impacts on everything from education possibilities for older children in the family to environmental damage caused by over-farming of rural areas (UNAIDS, 2006). Coupled with malaria, Africa is in trouble.

There are, of course, remarkable efforts being undertaken. The Bill and Melinda Gates foundation provides more than a third of the world’s entire malaria-research funding, and has discovered synthesising techniques which have dramatically reduced the cost of drugs (Bower, 2006). That first world countries are providing aid can also not be disputed

– the US spends \$19.7 billion per year on developing countries (Adams, 2006). The question is whether this is doing enough. Estimates are that to effectively help Africa alleviate disease, foreign aid would need to rise from \$6 billion to around \$27 billion per year, around one thousandth of rich-world income (Sachs, 2001).

Makgoba, author of *The African Renaissance*, proposed that Africa suffers from a scarcity mentality, and that we consume everything, even our seed investment for the future, choosing instant gratification over generational investment (Makgoba, 1999). This is holding us back in more ways than one.

The International Monetary Fund noted the following about South Africa, a country in much better shape than most countries in the rest of Africa:

- Massive poverty
- High unemployment
- Large-scale illiteracy
- Lack of skilled people
- A huge odious debt
- Poor infrastructure (Makgoba, 1999)

Of special concern is that the rest of Africa may be looking to South Africa for economic growth; already, SA contributes 30% of the continent's GDP, with only 5% of its population (Malan, 2005). While marketers may think that there is a fortune to be made at the bottom of the global income pyramid in the future, the poor will not gain a foothold on the ladder of progress without assistance in overcoming the barriers listed above.

Popular arguments for CSR centre around this overwhelming need, and include that industrial society faces serious human and social problems, that business has the resources to solve or at least ameliorate these problems, and that the public strongly supports business being involved (Carrol and Buchholtz, 2006).

### **2.3.2. Voluntary Commitment from Business**

Dialogue Consultants suggest that structured corporate giving came into existence in South Africa in 1972. It was introduced by Meyer Feldberg at UCT, who encouraged South African business to take heed of the American practice of enlightened self-interest, and begin investing in the society that makes up their market to ensure a sustainable business over the long term (Dialogue, 2004).

In an environment of human rights violations, NGOs, powered by foreign funding, began to gain in strength and influence. Business was involved to some extent, with 180 delegates attending a memorable conference in the Carlton Hotel in 1976, which led to the formation of the Urban Foundation (Smit, 1992). This was frowned upon by the government at the time, but was attended by many prominent figures, including Anton Rupert and Harry Oppenheimer. The Urban Foundation (UF) eventually closed in 1995, but by that stage had mobilised R1.8 billion for housing and represented a constructive response from business to a social crisis (Dialogue, 2004).

From 1977, US companies operating in South Africa were obliged to use the Sullivan Principles, meaning that a percentage of their payrolls had to be contributed to charity. This was to justify their continued presence in a country perpetuating human rights violations (Sethi and Williams, 2000; Bernasek and Porter, 1997). Foundations sprang up to administer these funds, such as the De Beers Chairman's Fund, the Gencor Development Trust and the Liberty Foundation. Although companies were becoming more responsive to society, it remained relatively low profile in the 1970s and 80s due to the political situation (Avishai, 1987). After Nelson Mandela was released in 1990, the acknowledgement of the importance of collaboration on all levels made socio-economic transformation a reality. With a legitimate state, business worked alongside the government to create a better context. Significantly, the Joint Education Trust (JET) was created, with major companies committing R560 million in donations over a five-year period. The new social order post-Apartheid meant that foreign funding began to lessen, but there were still various development foundations in South Africa (Visser, 2005). The



change in taxation laws in 2001 meant that funds spent on things other than education (for example AIDS, or other developmental fields), became tax deductible (Triologue, 2004).

There is certainly still space for business to assist non governmental organisations. A recent paper describes the major ongoing problems with African non-governmental organisations as lack of access to resources, lack of leadership and low organisational identity (African Institute of Corporate Citizenship, 2005). As mentioned previously, businesses are reservoirs of skill and expertise (Porter and Kramer, 2002).

The National Business Initiative, a voluntary, independent coalition of around 140 South African businesses, recently presented their views on linking core business strategy to sustainability. Strategic as opposed to tactical CSR was described as being about creating new markets rather than selling to them, and looking beyond social responsibility to opportunity (Middleton, 2005). Business appears to be taking on the challenge of intervening in social issues in the spirit of enlightened self-interest. South Africa is also a pioneer in sustainability reporting, as will be discussed in more detail later (Fisher and Lovell, 2003).

In Africa there is a strong notion of collective responsibility which prevails regardless of whether formal structures such as businesses are in place. The concept of “ubuntu” suggests why business must be responsible for society: “I am, because we are; and since we are, therefore I am”. The Zulu maxim is *umuntu ngumuntu ngabanye* – “one is a person through others” (Makgoba, 1999). In an interconnected culture, there is an inherent obligation on the strong to carry the weak, until they too become strong. If a country’s culture is group and community-orientated, as opposed to advocating a notion of “each man for himself”, there is likely to be an expectation on business to support those less fortunate. Justice Dr Yvonne Mokgoro of the Constitutional Court commented that ubuntu is the basis for an African morality of:

co-operation, compassion, communalism, concern for the interest of the collective, respect for the dignity of personhood, with emphasis on virtues of that dignity in social relationships and practices (Makgoba, 1999:230).

When it comes to extending the expectation on business to SMMEs, one needs to examine whether the implicit financial impact of CSR activity can be absorbed. Small business and entrepreneurship are important to a country's economic growth, job creation and social stability (Ladzani and Van Vuuren, 2002), and should not be swamped with expectations. Besides the difference in size, many small businesses are motivated by personal survival rather than return on investment (Rauch, 1991). In South Africa there is a large informal sector that also relies heavily on markets not being regulated (Morris and Pitt, 1995).

If an entrepreneur was to start a business to drag him or herself out of poverty, and was immediately expected to reinvest in society, it may stunt the development of the small business, and ultimately the entire economy. This is especially relevant in South Africa, which has one of the lowest rates of entrepreneurship in the world, and according to the Global Entrepreneurship Monitor, has been consistently declining in terms of rankings since 2001 (South African Institute for Entrepreneurship, 2006).

A US book on managing a small business refers to a study that asked owners of small businesses whether they felt any form of social responsibility. 88% cited at least one, referring to obligations to employees, customers and the community, as well as a general responsibility to act ethically. Small companies with high degrees of social concern were nevertheless found to be the exception, rather than the norm (Longenecker *et al*, 1997), with the values of the founding director playing a central role (Murillo and Lozano, 2006).

The study showed that small business appeared to be more narrowly focused on profit than bigger corporations. A further study comparing the small and large companies drew

the conclusion that entrepreneurial CEOs considered CSR a luxury, and felt that survival was their first priority (Longenecker *et al*, 1997).

Certainly, small business owners are generally dealing with their own money rather than that of shareholders, and may argue that they have primary duties to themselves, their dependants and growing their businesses before investment in broader society is considered. Nevertheless, studies show that there is a correlation between a small business's perceived commitment to community issues and their success within that community (Besser, 1999), and there is evidence that a significant number of US small businesses recognise the element of enlightened self-interest in community involvement (Besser and Miller, 2001).

In countries such as the U.K., there are organisations encouraging small and medium sized businesses to get involved with socially responsible activities, such as "CommunityMark". A company needs to have a community programme which is integrated into their business planning in order to qualify, with a minimum of 10% of staff involved in the project. Once accepted as a member, the company can display their "CommunityMark" to gain recognition from suppliers and customers. "CommunityMark" notes that 81% of British consumers agree that they are more likely to buy a product or service that is associated with a cause they care about, price and quality being equal (Fast Forward Research, 2004).

It is assumed that as South African businesses become more involved with social issues, beneficial systems such as "CommunityMark" will be put in place, encouraging even small business to become involved.

### **2.3.3. Regulatory and Policy Factors**

As companies have grown more powerful, and with the impact of globalisation, the UN and various governments have sought to codify good practices for business, and in the

case of the UN, especially transnational business (Wagner, 2004). The core values of the UN Global Compact are drawn from various documents, including the Rio Principles on Environment and Development, the Universal Declaration of Human Rights, and the International Labor Organisation's Fundamental Principles on Rights at Work (Banuri and Spanger-Siegfried, 2001), and therefore focuses on issues around human rights, labour, the environment and corruption (Williams, 2004). It has garnered more than 1 500 members since its inception in 2000 (Economist Intelligence Unit, 2005), suggesting that companies are beginning to take their relationship with their stakeholders seriously. However, while corporate social responsibility as part of good management is a popular concept in America, it is a relatively new concept in Europe, and still presenting companies with the usual challenges around integration into corporate strategy (Dickson, 2004).

The first and second King Reports relating to corporate governance in South Africa have had a significant impact on global CSR thinking, as they are much more inclusive than similar documents such as the 1992 UK Report on Corporate Governance (Fisher and Lovell, 2003). The 1994 report refers to the broader interests of stakeholders rather than just the financial and regulatory concerns of shareholders (Fisher and Lovell, 2003), while the 2002 report aims to:

hold the balance between economic and social goals and between individual and community goals ... the aim is to align as nearly as possible the interests of individuals, corporations and society (King Committee on Corporate Governance, 2002: 6).

In the section on integrated sustainability reporting the 2002 King Report includes employees, suppliers and customers, as well as local communities, non-governmental organisations and the state (as policy maker) in the definition of stakeholders (Wixley and Everingham, 2002). This means that JSE listed companies are required to give disclosure on matters such as safety, health, the environment, ethical matters and societal and transformation issues. Other companies are not obliged by law to follow the recommendations of the King Report, but if the guidelines are followed good corporate

governance will be achieved (Du Toit, 2005). While the Code of Corporate Practices and Conduct within the report only applies to certain categories of business (JSE-listed companies, banks, financial and insurance entities and public sector companies), all companies are encouraged to consider application of the code as far as possible (Wixley and Everingham, 2002).

The most significant local development with regards to social involvement from companies has undoubtedly been the recent introduction of industry charters, which formalise corporate transformation. Black Economic Empowerment is an important component of this, but other areas of the scorecards include development of SMEs and preferential procurement.

The charters, along with the publication of the King II Report on Corporate Governance and South Africa's leading position on sustainability within Africa, led to the establishment of the JSE Social Responsibility Index (De Kleene and Sonnenberg, 2004). This was launched in early 2004, and imitates the US FTSE4GOOD index, with one significant distinction – companies operating in ethically controversial areas (e.g. tobacco or nuclear power) are still permitted to participate, and the way they do business is measured, rather than the impact of their products. There are also criteria that relate specifically to pressing issues in South Africa, such as that of Black Economic Empowerment, or the importance of having an AIDS policy. To qualify for the SRI index, companies need to meet certain criteria within the three pillars of the SRI, which are around the three elements of the triple bottom line: social, environmental and economic. The contribution that a company needs to make in terms of each social pillar is evaluated in terms of its moving from engaging only shareholders to engaging all stakeholders (staff as well as the communities in which the company operates, both in terms of customers and in terms of those affected by its existence) (Ludman, 2003).

## **2.4. Staff Morale**

### **2.4.1. The New Psychological Contract for Knowledge Workers**

As my hypothesis is that the charity work improves staff morale (with improved human resources factors contributing to competitive context), it is important to examine the literature around human resources management.

The psychological contract refers to the mutual expectations held by employer and employee (Argyris, 1960), and is a relationship shaped by social as well as economic factors (Fox, 1974 in Cullinane and Dundon, 2006). This contract has been turned on its head since the industrial revolution. While the old paradigm (as laid out by Adam Smith, Frederick Taylor and Henry Ford) maintained that efficiency and economies of scale were the key to success, a company's value is now lying in customer service and quality (Carrell, Elbert, Hatfield, Grobler, Marx and Van der Schyf, 1998).

Cavanaugh and Noe note that the new contract involves considerably less interest from both parties in loyalty to one another, and more interest in short-term labour contracts (Cavanaugh and Noe, 1999). Daft mentions five key elements where business has changed as a result of the progress from the industrial to the information age. They are: from stability to change; from control to empowerment (of employees); from competition to necessary collaboration (between companies); from things to relationships (the dynamics of quantum physics or ecology are given as examples of interdependent existences), and from uniformity to diversity (Daft, 1999).

According to Dave Ulrich, a prominent human resources (HR) writer, a significant reason for the shift is that a company's source of competitive advantage in the information age is no longer its technology or its raw materials, as these are readily accessible and can easily be copied. A modern company's core competency is often entirely vested in its people (The Sunday Times, 2002; Ulrich, 1997). Winston Churchill must have foreseen this

when he said, “the empires of the future will be empires of the mind” (Wooldridge, 2006: 3).

Knowledge workers are rapidly gaining negotiating leverage in terms of the contract because of this. The quality as well as the performance of employees is critical, as they are the source of and conduit for information (Aggarwal, Datta and Bhargava, 2007). In an information economy, knowledge is the new scarce resource, and it flourishes under very different conditions to capital: information needs to be linked to other information to add value. It is meaningless when stored in vertical silos (Bartlett and Ghosal, 1995). The Taylorist view of effective management attempted to disregard the human nature of employees, and saw people functioning as machines and merely leveraging the company’s investment in capital (Bartlett and Ghoshal, 1995). HR theory now sees the human element as critical in giving value to information, with Charlton noting that “human capital is the source of the next market sensitive idea, while information capital is the operational system for the last idea” (Charlton, 1993: 10).

That the employee is central is immediately evident in modern service industries, where they constitute the entire “product” experienced by the customer. This customer interaction is critical. In a service industry, the top 1% of staff can positively impact 88% of customers dealt with, while those in the bottom quartile can do great damage to the company’s reputation (Phelps, 2005). Add to this the fact that consumers are progressively more in control as a result of globalisation and the resultant increased choice available to them, as well as escalating competition between firms (Hagan, 2001), and it is clear that business needs to pay more attention to customer service than ever before (Hammer and Champy, 1993).

Managers are realising that HR is about more than just a vague, warm sentiment towards staff – the extent to which employees are informed, engaged and satisfied has been proven to be directly linked to a modern company’s financial performance (Richman, 2006; Phelps, 2005; Cantrell and Benton, 2004). However, Kaplan and Norton note that for intangible assets such as a motivated workforce to add financial value, the HR

strategy needs to be integrated into organisational strategy (Kaplan and Norton, 2004). HR is therefore one department which is suddenly receiving a great deal of attention from management (Hagan, 1996). Many HR managers have seen a theoretical shift in focus from strategy, structure and systems to purpose, process and people (Bartlett and Ghoshal, 1994). Garvin emphasises that companies need to become “learning organisations” to adapt to the pace of change (Garvin, 2000), and a common theme in the literature is that companies need to turn their focus from predicting to creating the future, attempting to conceive of new products and services that will change existing demand patterns (Kanter, 1995; Garvin, 1993). Even in South Africa, where unemployment is high and jobs are prized (Swanepoel, 2000), the importance of ideas to this process means that knowledge workers have gained more power.

The current emphasis is on embedding corporate ambition, instilling organisational values and giving meaning to work. Unleashing potential in employees, rather than viewing them as a cog in a machine, means that a company is embracing the possibility of being shaped by its people – an individualised corporation (Bartlett and Ghoshal, 1997). To understand how to unleash this potential, the current mindset of the knowledge worker needs to be appreciated.

In some industries today, a talented individual can work from home as a freelancer and earn the same rewards as in a corporation. Daniel Pink, author of *Free Agency Nation: How America's New Independent Workers are Transforming the Way we Live*, refers to the technology enabling this as “Karl Marx’s revenge” – a personal computer has become the only required means of production, and is affordable to the masses (Wooldridge, 2006). The rise of independent workers is partly due to a growing disillusionment with corporate employment. In 2005, only 50% of US employees considered themselves happy with their jobs, an all time low (Kersten, 2006). Moreover, 65% are currently unhappy with the perks offered to them (Laff, 2006). As a recent *Harvard Business Review* article puts it, “the halls are alive with the sound of carping” (Kersten, 2006). People are carping because they feel that their jobs are meaningless, because they don’t feel that their achievements are recognised, and because there is no balance between their



work and their home lives (Kersten, 2006). A 2005 survey showed that only 41% of employees felt their performance evaluations were fair and only 58% considered their job training positive. Only about half felt that management had any real interest in their personal wellbeing (Hammonds, 2005).

In addition, organisations are also no longer able to offer the stability they used to. Job security is a major concern worldwide, with the amount of American employees who say they felt a sense of security dropping from 79% in 1990 to 49% in 1996 (Kippenberger, 1997). It is also possible that employees have unrealistic expectations about work – a romantic ideal of work as a purpose, and of the “one, perfect job” is leading to regular disillusionment and job-hopping (Kersten, 2006). Van Buren acknowledges that a number of factors have played a role in changing the psychological contract, including downsizing, contingent workforces and the use of contract suppliers.

Not surprisingly, a recent study questioning 200 European CEOs about the major challenges facing their businesses found two significant issues – that of attracting, retaining and motivating talent, and that of innovation (Business in Society, 2003).

### **2.4.2. Strategies for Engaging Staff**

As Kahn explains, “the more people draw on themselves to perform their roles ... the more stirring are their performances” (Kahn, 1990, in Aggarwal *et al*, 2007: 314). Clearly, it is important to understand how to motivate individuals and gain insight into the skills and energies which employees utilise to fulfil needs and goals (Porter, Lawler and Hackman, 1987).

The new paradigm in HR has given us a number of theories around motivation and performance, including Alderfer’s ERG theory, which states that if one need is denied, workers focus on another; Management by Objectives, which involves goal setting for employees; and Maslow’s Hierarchy of Needs (Carrell, Elbert, Hatfield, Grobler, Marx

and Van der Schyf, 1998). Maslow states that once lower order needs around survival are satisfied, people aim to fulfil needs around self-actualisation. Linked to this, Herzberg's two-factor theory proposes that higher order workplace needs around job content such as advancement, recognition and achievement account for variances in motivation or job satisfaction, while lower order factors around context – such as salary and supervisory relationship – are determinants of job dissatisfaction (Herzberg, 1968; Wofford 1971). Much recent research certainly suggests that employees are looking for more than just a salary. Especially in the knowledge industry, workers desire meaning and personal development from their work rather than just income (Wrzesniewski, McCauley, Rozin and Schwartz, 1997). The large amount of time spent in the modern workplace is likely to be a contributing factor to this (Harter, Schmidt and Keyes, 2003).

Employers beware – there is a proven tendency to overestimate the importance of extrinsic, rational benefits to employees, and to underestimate the importance people place on emotional, intrinsic factors. An American study conducted regularly over the past 25 years asks workers to rate the importance of various job factors. People consistently put the opportunity to do important work first, and what they earn only third (Morse, 2003).

Employee wellbeing is a popular theory explaining how employee performance is affected by positive feelings and perceptions created by their environment. Research shows that high performance business units tend to exhibit greater levels of positive emotions such as joy, interest and love than lower performing ones. It has been proven that this is more than just a predisposition of happy people to be high performers – increased wellbeing in any workers can lead to higher profitability and productivity (Harter, Schmidt and Keyes, 2003).

Clearly, employees can be engaged on both a rational and an emotional level. While the rational aspect refers to how they consciously feel their financial and professional interests are being served, emotional commitment only occurs when employees value, enjoy and believe in what they do. Workers without emotional commitment are four



times more likely to leave a company than those with emotional commitment (Buchanan, 2004). Even more remarkable is that an emotionally engaged employee generally puts in up to 57% more discretionary effort (referring to willingness to go beyond the call of duty) than one who is just there to earn a salary (Buchanan, 2004). Recent studies suggest that engaged employees also exhibit a number of other behaviours which would make them more valuable to a company: they are more co-operative and helpful to their colleagues, they are absent less, they are more punctual (Harter, Schmidt and Keyes, 2003), they stay with a company longer, and they can even be paid less (Wooldridge 2006)!

Companies have had to begin exploring their “employment value proposition” (EVP) to ensure that their environment is positive for employees to work in, and leads to emotional engagement. An EVP is what a company offers in terms of culture and skills development as well as pay and benefits. An effectively managed EVP can allow a firm to attract more talented workers (Wooldridge 2006), and once engaged, reap the benefits listed above.

Employers attempting to create an EVP are faced with a further complication – not all employees value the same thing on an emotional level. While for some the chance to learn a new skill is important, others need to work for an organisation that they believe in (Moyer, 2005). HR departments need to invest time in locating and activating the deep seated emotional triggers for individuals in their workforce. However, a common theme emerges from the literature – that of an organisational culture fostering happy staff.

Clayton Christensen refers to various ways in which managers can gain cooperation from their staff. These are: through the power tools at their disposal (ranging from coercion to negotiation); through leadership (charisma, vision and so forth); through management tools such as training and incentives, and through organisational culture tools such as rituals and folklore (Christensen, Marx and Stevenson, 2006). Creating a strong sense of culture and belonging has shown superb results in terms of engaging employees in recent studies (Chan, Shaffer and Snape, 2004), and has been referred to as perhaps the most

powerful phenomenon influencing behaviour in a company (Hitt *et al.*, 2005). A company with a strong culture is almost self-managing, with agreed upon goals and ways to achieve them (Christensen, Marx and Stevenson, 2006). For culture to lead to improved individual performance and satisfaction though, it needs to be linked to the organisation's objectives as well as properly integrated with HR. For example, a culture matched to an external environment demanding customer service needs to cascade customer service into culture through relevant performance measurement criteria (Jackson and Schuler, 2003). The Balanced Scorecard is a tool which can be effectively used to ensure individual activity contributes to overall company objectives. The tool aligns performance measurement with objectives in four key areas – financial, customer, internal process and learning and growth (Kaplan and Norton, 1992).

A culture involving having fun has been proven to lead to greater employee engagement, as having fun can foster a sense of commitment and ownership (Yerkes, 2003). It can also result in conversations with the potential to spark innovation and, most importantly, it can relieve stress in high pressure environments (Hudson, 2001).

More relevant to this literature review is the impact of social work on culture as a major influencer of employee engagement. In their book on Strategic Management, Hitt, Ireland and Hoskisson refer to the “social capital” which is created within an organisation when ethical practices are introduced as part of its culture. This goodwill can effectively filter through the company if the principles are integrated into the core values, and become part of culture (Hitt, Ireland and Hoskisson, 2005). If philanthropy can be integrated into culture, it has the potential to engage employees. This is because there is clear evidence that people gain happiness from helping other people (Thoits and Hewitt, 2001; Haidt, 2006). According to the employee wellbeing theory, happier employees are more productive and profitable (Harter, Schmidt and Keyes, 2003). This means that social work as part of culture can ultimately contribute to improved financial performance, and position the firm more competitively (Porter and Kramer, 2002).

The link between altruism and happiness has been explored by scholars such as Thoits and Piliavin. While studies have shown no clear causal link between volunteer work and happiness or improved wellbeing in teenagers, there is a clear correlation in adults (Haidt, 2006). Studies around blood donation provide the strongest evidence of this link between altruism and feeling good (Piliavin, 2003). Voluntarily helping others improves the six major aspects of wellbeing – happiness, life satisfaction, self-esteem, sense of control over life, physical health and depression (Thoits and Hewitt, 2001). Importantly for the workplace, it reduces stress (Rietschlin, 1998).

Why are there these benefits? It may be because people need to feel that they matter and that their lives have meaning (Rosenberg and McCullough, 1981). Some writers also suggest that the conditions of the volunteer work may be a more important factor than the content of the work – it is often non-routine, and people are given relative autonomy (Thoits and Hewitt, 2001). It may also simply be because people are socialised to take pleasure from helping others (Cialdini and Futz, 1990; Piliavin, 2003), or because helping others serves as a distraction from ones own problems (Piliavin, 2003). Regardless of the reason, the fact that doing good can make one feel good is relevant for creating a positive culture that fosters employee wellbeing.

While some writers mock attempts to make employees happy, arguing that the “noble employee” is a myth, and that immature, irresponsible, manipulative employees are in fact the root of the current HR problem (Kersten, 2005), there is a great deal of serious academic interest in understanding employee satisfaction. Conditions, especially in the knowledge industry, have changed significantly since Frederick Taylor stated: "What workers want most from their employers, beyond anything else, is high wages" (Morse, 2003).

## **2.5. Summary of Major Themes in the Literature**

People are motivated to perform philanthropic acts for largely unclear reasons. It may be that they behave selflessly for the selfish satisfaction of giving (Sober, 1995), or out of genuine concern for society. In the case of a company it seems more likely to be a combination of factors. Business has come under increasing consumer pressure to behave responsibly (Crook, 2005), and a dominant model of CSR shows how a firm's responsibility extends from economic and legal obligations to ethical and philanthropic expectations from society (Carroll, 1991). While doing the right thing may certainly be a deciding factor, many companies have entered into philanthropic activities because it is in their own long-term interest (Porter, 2002).

There is a strong business case for CSR in modern society (Zadek, 2004). One of the benefits of CSR activity is improved talent attraction and retention (Luce, Barber and Hillman, 2001). As we move from an industrial age to a knowledge economy, the quality and level of engagement of staff has become the new competitive advantage (Charlton, 1992). Modern employees want meaning rather than just a salary, and there is evidence that staff experience CSR work as meaningful (Rosenberg and McCullough, 1981).

The potential of corporate philanthropy activities to impact on human resources elements means that they can impact on a firm's competitive advantage, and are therefore an area of interest for creating a business case for philanthropy.

### **3. Research methodology**

#### **3.1. Introduction**

The goal of my study was to understand employee perceptions of the corporate social philanthropy activities in which their company, The Agency, had involved them. I set out to explore how the participants felt about the philanthropic activities, and if the activities had any specific meaning for them.

In this research I used a qualitative, phenomenological method, and my data was largely contained in the perspectives of the staff members whom I interviewed (Groenewald, 2004). My approach to reporting was impressionistic (Van Maanen, 1988) and I attempted to paint the picture I saw with rich description to give the reader a vicarious experience of the situation I had experienced.

I had a familiarity with a number of theories before setting out, so knew what I was looking out for in terms of evidence of employee wellbeing (Denzin, 1970). While I was unsure of what themes would become apparent from the data (Guba and Lincoln, 1994), my hunch was that the philanthropy constituted a positive experience for staff. If this was established as true, then there would potentially be a benefit to the small business in terms of improved employee wellbeing.

#### **3.2. Research Paradigm**

Babbie and Mouton describe three distinct worlds within the realm of social research. First is the ordinary world, which involves day-to-day concerns about the weather, what the neighbours think, and, for many, where the next meal is coming from. In this world knowledge is based on individual experience, so can vary considerably from person to person. The aim is to cope with the challenges presented, so knowledge is often

orientated around practical issues, and not too much consideration is given to the nature and truth of matters (Babbie and Mouton, 2001).

In addition to the ordinary world there is the world of science, where rationality is prized and the goal is to find truth in things within the ordinary world (an epistemic imperative). The third and last world is concerned with reflecting on what happens in the second world, and is referred to as the world of metascience. Here knowledge is critical in nature, and issues such as the nature of truth are addressed (Babbie and Mouton, 2001). In other words, the lens through which the world is viewed is questioned.

Theories which examine science are known as metatheories, and various major metatheoretical positions have emerged over the past century (Guba and Lincoln, 1994). Positivism, phenomenology and the critical tradition are significant paradigms (Babbie and Mouton, 2001), each representing different sets of beliefs and assumptions about the world (Fouche and Delport, 2002). These three paradigms can be described in terms of their perspective on reality (ontology), their view of the researcher's relationship with the subject (epistemology) and the methodology commonly used for investigation (Guba and Lincoln, 1994). The three main areas of methodology which correspond to positivism, phenomenology and the critical tradition are quantitative, qualitative and participatory action research (Babbie and Mouton, 2001).

Positivism, which came to the fore through the work of August Comte in the early nineteenth century, sees the researcher as objective and the subject as isolated from interfering variables (Lincoln and Guba, 1985). Comte believed that society had gone through three distinct phases: Theological (before the Enlightenment, when man was referenced to God), Metaphysical (referring to the notion of universal rights being supreme to any one ruler, pertinent to the period just after the French Revolution), and Scientific, in which man began to answer questions through science after the fall of Napoleon. This he referred to as the Positive phase (Comte, 1875). The methods employed by positivists are primarily quantitative, and the researcher is an objective analyst of a tangible reality (Remenyi, 1996). An important aspect in positivism is the



idea of falsification. According to a positivist, evidence of something being is not as convincing as evidence proving something not to be, as the evidence against its being could still well appear. To illustrate this – the presence of many white swans does not prove that all swans are white, as there may be a black swan in another country, or in the future of swans. The presence of a black swan, however, is a very convincing argument for all swans NOT being white, as it decisively falsifies the claim (Remenyi 1996).

The shift in thinking away from positivism, with its quantitative focus, to post-positivist traditions such as phenomenology, where the emphasis is on qualitative research methods, was largely due to the idea that social science is fundamentally different to natural science (Babbie and Mouton, 2001). A proponent of contemporary phenomenological thought, the philosopher Husserl, refused to believe that objects in the external world exist independently and that the information about objects is reliable. Rather, phenomenology posits that people can only be certain of how things are in relation to their own consciousness (Groenwald, 2004). According to Husserl, consciousness is defined by the notion that all behaviour is intentional. Inanimate objects possess no such intentionality (Husserl, 1970). Phenomenology aims to understand human consciousness through rich illustration of all contributing elements, rather than simply to describe the actions resulting from it (Babbie and Mouton, 2001).

Post-positivist thought acknowledges the humanness of the researcher as well as the object of research (Reason and Rowan, 1981). Alfred Schutz puts it well:

The world of nature, as explored by the natural scientist, does not “mean” anything to molecules, atoms and electrons. But the observational field of the social scientist – social reality – has a specific meaning and relevance structure for the human beings living, acting and thinking within it (Schutz, 1951, in Babbie and Mouton, 2001: 29).

As my study is concerned with the perception and meaning of CSR to staff, phenomenology is clearly the relevant paradigm.

Karl Marx strongly believed that the world could be reduced to its material conditions, and endorsed the scientific study of society advocated by positivism. However, he went a step further, and proposed that the aim of social research was not merely to explain society, but needed to instigate changes in society. So instead of, for example, merely collecting data on the lower wages paid to women as compared to men, and explaining this as a fact of the world, the researcher should make recommendation for changes through his or her research. This paradigm is referred to as critical theory, and is generally linked to participatory action research (Babbie and Mouton, 2001). While my study is not focused in this area, I will make recommendations around which forms of corporate social philanthropy are most beneficial for a small business, as I believe that sufficient evidence has emerged from the investigation.

Research conducted within the phenomenological metatheory tends to be qualitative (Babbie and Mouton, 2001). Qualitative research has a number of general characteristics. Firstly, the central interest is in the meaning constructed by the participants (Winegardner, 2004). In other words, in my case study I was more concerned with how the people I interviewed interpreted the events around them than with the events themselves. The idea that behaviour is partly a result of an individual's experience rather than just external circumstances (Remenyi, 1996) is particularly interesting when group behaviour is studied, as was the case with the proposed investigation. The behaviour of the group at The Agency is likely to have been a result of their past experience within the group, making their responses to events relatively unique. However, qualitative research seeks depth rather than breadth (Ambert, Adler, Adler and Detzner, 1995), so only one company was selected as a case study for this investigation.

Investigation in the natural setting of the object is important in qualitative research as context influences behaviour (Lincoln and Guba, 1985), and as this paradigm seeks to describe and clarify human experience, it is obvious that stopping the stream of experience to study it would defeat the object (Polkinghorne, 2005). Post-positivists argue that purely positivist, quantitative approaches are problematic as they lack context,

which could contain variables that would alter the outcome of the study (Guba and Lincoln, 1994).

In contrast to the pre-determined hypotheses favoured by positivists, there are also often no existing hypotheses in qualitative work. Qualitative investigations allow data to emerge, and so generate knowledge inductively (Groenewald, 2004). They are concerned with discovery rather than verification (Ambert, Adler, Adler and Detzner, 1995). Another criticism of positivist approaches is that the possibility exists that since a pre-determined hypothesis is being tested, the element of discovery is absent, and something important could be overlooked (Guba and Lincoln, 1994). In contrast, qualitative research requires a flexible research structure, as the investigator is not sure exactly what will emerge from the study, and is not relying too heavily on prior assumptions (Creswell, 2005). This made my study tricky, as I only knew which areas should be covered in the literature after I had begun fieldwork and knew what elements were present.

Another characteristic of qualitative research is that the investigator attempts to gain the insider's view, which is mediated through his or her own perspective, as the investigator is the main instrument of data collection. This attempt to understand the insider perspective is referred to as the "emic" view (Guba and Lincoln, 1994). Using an insider view also means that the researcher, while trying not to be too subjective, is nevertheless the lens through which the story is seen, and uses his or her own frames of reference to interpret the situation and discern any patterns or themes. The relationship of the researcher to the research is therefore important (Fouche and Delport, 2002; Remenyi, 1996). The participants at The Agency were observed in their natural setting rather than in a laboratory (as context is so important) and over a period of six months to ensure that their actions were natural and not a result of the researcher's presence (Babbie and Mouton, 2001).

The purpose of my qualitative study was two-fold – it was firstly exploratory, as the body of knowledge around staff in small businesses involved with corporate social responsibility initiatives is relatively slim, so I aimed to gain familiarity with the topic.

Qualitative research reports are also often richly descriptive (Winegardner, 2004). I therefore provided detail on the appearance of the environment and participants to try and share the insider experience with readers. For example, I attempt to paint a picture of the office environment through a narrative relating the effect of the music playing, the paintings on the wall, the toys and games in the office and the way the employees are dressed.

### **3.3. Method**

Creswell proposes that there are five approaches that can be grouped under qualitative research: biography, phenomenology, grounded theory, ethnography and case study (Creswell, 1998 in Polkinghorne, 2005). The research design for my investigation is a single case study format.

Case studies are rich descriptions of a phenomenon, typically from a variety of sources (Yin, 1994). The idea is to use case studies as a basis from which to develop theory, rather than to test a hypothesis (Eisenhardt and Graebner, 2007). Yin notes that a case study is the appropriate strategy when one is trying to answer a “how” or “why” question in a situation where the investigator has little control over events (Yin, 1994).

The case study acknowledges that ‘reality’ is dependent on one’s point of view, as well as on the context in which it occurs (Riege, 2003). Case study research has only really gained respectability in the past few decades (Babbie and Mouton, 2001) and it is important that guidelines are adhered to to ensure that it is considered valid. In general, conceptualisation, the provision of contextual detail and the use of multiple sources of data are critical principles (Babbie and Mouton, 2001). While a thorough description of the context must be undertaken, the researcher needs to be selective in the information provided in the final report to ensure that only information relevant to the goals of the study is provided (Winegardner, 2004).

The case study centres on the perceptions of staff as well as management at The Agency, a small company specialising in creating presentations. At one stage I considered using a second case study because I discovered that The Agency was a very unusual company. Management places a great deal of emphasis on staff morale (more than most companies in my experience), which made it more difficult to ascertain whether the CSR activity was having an effect on staff morale. However I unfortunately did not have the time or resources to take on a second study, though the opportunity to do so may provide valuable insight into the impact of CSR in a small business.

### **3.4. Data Gathering**

I designed the project with the hunch that there were benefits to incorporating corporate social philanthropy practices in a small company.

While the main variables were not known until the information had been analysed, a short period of observation combined with common sense suggested key areas from which relevant information was likely to emerge. To reiterate, my study focused on understanding how the employees felt about the philanthropy in the company:

- General levels of happiness and satisfaction
- The contents of the Employment Value Proposition leading to any satisfaction e.g. how well paid were people at The Agency, did staff feel they were gaining valuable work skills if not paid well, did they feel part of a strong team
- Evidence of an EVP through commitment of staff to the company (turnover rates, amount of overtime worked, staff plans for the future)
- Staff opinion of the culture of the company, as well as any impact of the philanthropy on this understanding
- How participants experienced the philanthropy
- Whether participants considered the philanthropy important (i.e. did it make a difference to the recipients)

As will become clear in my data analysis, I did not anticipate that power dynamics would be such a pervasive theme in terms of the company culture.

Data was collected through interviews, observation and document analysis, which are the three major sources of qualitative data (Polkinghorne, 2005).

### **3.4.1. Interviews**

The participant pool consisted of the team at The Agency, which comprised twenty permanent staff members at the time of study. Of these, there were four management roles, including the owner/manager, a general manager and two “mentors”. The mentors were directors when the research was initiated, but later restructuring changed their job titles and descriptions. Because the population was small, more than 50% were accessed through interviews: nine staff members, the owner/manager, the general manager and one of the directors who later became a mentor. Boyd recommends interviewing two to ten participants for a case study (Boyd, 2001). To an extent I used snowball sampling (Groenewald, 2004), as I asked staff participants whom they thought I should interview. This was helpful in that they often made the introduction for me, allowing me access to new viewpoints.

I arranged to interview key management personnel as well as a number of staff members when initiating the project, before any work had started, as without access I would not have a study. I had the support of the owner/manager to encourage the staff members to spend time with me, and I came through to interview them when it suited them.

I attempted to interview a cross-section of the company in terms of roles. I ensured that I had representation from the support staff (admin), as well as from the four skills areas in the company:

- video editors (who shoot and edit movies for presentations);

- motion graphic artists (who ensure that movement is well-executed in videos, as well as do some animation);
- presentation strategists (who design the presentations);
- presentation designers (who put the actual PowerPoint presentations together).

I also selected participants who had been involved with the charity work, so had first-hand experience of the phenomenon being researched (Groenewald, 2004), as well as some who had not, to find out whether they had been influenced by the work of others.

In terms of selection within these parameters, I interviewed those who could spare me the time, and also attempted to engage with a variety of opinions. For example, it became clear quite soon in the process that a few staff members were negative about the power dynamics of the company. I made sure that I spoke to them too to get a balanced view. One staff member, Nico, was particularly negative, and mentioned that he would like to be interviewed when he heard that I was doing a study relating to company culture. His opinions were very different to many of the other participants, and made my research more complicated. However, having heard his view, I was able to pick up nuances in comments made by other participants that I had not been aware of before. The negative viewpoint was very helpful in the analysis, as it provided a deviation from the rest of the data, and raised questions about the concepts emerging from the other participants (Denzin, 1970).

A questionnaire was originally drawn up, but discarded in favour of one-on-one interviews to ensure that no opinions were lost in the process of entering numbers on a Likert scale. Only one interview was attempted via email, containing five open-ended questions. No response was received.

The one-on-one interviews were recorded at The Agency offices and later transcribed. Some were conducted in private (the company has a smoking area which I utilised), but some would have been partly overheard by other members of staff. I initially arranged with staff that I would only require around twenty minutes of their time, but often ended up spending over an hour on an interview. I was determined that the participants should

feel comfortable with being interviewed, so attempted to put them at ease with some irrelevant conversation intended to establish rapport. This small-talk is not included in the transcripts.

There were practical challenges in the interviews. One participant, Ed, was particularly testing to interview, as he talked at a rapid pace and seemed unable to focus on the question at hand. Much of the transcription for his interview had to be deleted, as it was completely irrelevant and confusing. Other participants such as Belinda were non-responsive, and offered only yes or no answers, which was frustrating. I had to be cautious not to simply take notice of the opinions of the more vocal participants such as Ryan, Jade and Herman, and to try and understand every one of the precious few sentences offered by Belinda. I offered to interview participants outside of the offices if they preferred, but they were all comfortable to be interviewed on site.

In line with the guidelines for the phenomenological paradigm, I asked questions around perception and meaning as well as establishing the facts around the charity work (Remenyi, 1996). I worked from a list of questions around two broad themes, staff morale and charity work to ensure that I covered all the areas which I felt were likely to be relevant. In this sense, the interviews were professional conversations (Kvale, 1996), which I was guiding. However, I made every effort to allow the conversations to flow naturally, and only a few of the interviews followed similar lines. Although I allowed all participants to control the conversations to a degree, it must be noted that I did have prior knowledge of the subject, so the interviews were not entirely exploratory, but rather structured to some extent (Riege, 2003). For example, I was aware of the benefits cited in the literature to companies involved with communities, so was able to ask questions around these areas, which the respondents may not necessarily have volunteered by themselves. I had also interviewed Ryan, the owner/manager, first to gain background knowledge of the company, so was aware of most of the activities and philosophies.

I encouraged the respondents to give reasons for their answers. When I found that I was getting the same answers from a number of respondents, I probed further to find out if



they were just providing the first answer that came to mind. For example, most participants were of the opinion that the company should not publicise their good deeds. I was concerned that the owner/manager may have at some point asserted that they would never publicise their good deeds, and that they were simply reiterating his statement rather than giving their true opinion. In retrospect, it may have been a good idea to allow participants time to think about their experiences after the first interview, and then propose a second interview (Polkinghorne, 2005). I did receive some informal feedback from participants at a later stage, who had clearly found the interviews thought provoking.

An interview of over two hours was conducted with the owner/manager, and interviews of just under an hour with two other members of the management team. The aim of these was to gain an understanding of the corporate social philanthropy activities carried out, as well as the motivation for being involved from a management point of view. Information about indicators of staff morale were also collected during these interviews. I was also interested in ascertaining whether there was a significant difference in the understanding of staff and management of satisfaction levels at the company, and asked many identical questions of management and staff.

While I explained the purpose of the interview to all participants, I was at times concerned that participants perceived me as someone to whom they could confess any issues with the company. This is likely to have been as a result of my being a neutral party, and because I asked a number of probing questions around satisfaction.

### **3.4.2. Observation**

Although interviews were my main source of information for this study, I also spent time observing the employees and management at The Agency's offices. I spent two full days at the office, as well as a number of shorter visits during the course of the fieldwork. I attended a status meeting (management going through the tasks for the day and

delegating them to staff) and attended two social events. I did not, unfortunately, accompany any staff on their charity work. This would have been useful for gaining an understanding of the level of interaction with the recipients of the charities.

Observation assisted me with selecting participants, as I was able to identify those who held different views about the staff morale. It was also very informative in terms of gaining an understanding of the culture at The Agency, which focuses on the team rather than the individual. The culture of “fun” was repeatedly mentioned in the interviews, and evidence of effort to make the culture fun was clearly apparent in the layout and décor of the offices, as well as the team-building activities which were undertaken as part of company life. Field notes from memory were utilised in documenting the context observed through this.

### **3.4.3. Documents**

The Agency documents the majority of team-building events on video, a number of which have been attached as social artefacts. The most recent were requested from management, and from these I selected those which I considered to offer the most insight into the culture I had experienced. I have unfortunately not been able to access one of the most entertaining videos, involving a car wash done in drag, but those selected do give a fair picture of the company spirit during the fieldwork period. Observation included noting the behaviour of the participants – specifically their interaction with one another and with the owner/manager.

One video was selected specifically because it focused on the women in the company (“Babes of The Agency”). As will be detailed in the data analysis, I became interested in the notion that the culture at The Agency was relatively homogenous, and also mostly male. The art direction of the “Babes” clip was along the lines of a sultry, seductive “Axe” commercial, in stark contrast to many of the other videos, which involved relatively rough activities such as eating worms and being thrown off rodeo horses.

One other video “Cheerleader Danceoff” was selected because it clearly showed teamwork between two competing cheerleading squads within The Agency. The video documents events ensuing after staff members who had been at The Agency for a number of years challenged the newer staff members to a cheerleading contest. I have also included a series of videos made to entertain staff, centring on the kidnapping and torture of a soft toy belonging to the office administrator. These are discussed further under data analysis.

Three examples of the charity videos are also attached. One is a video made by The Agency to raise funds for Yenzani, a children’s home; another a video made to raise funds for orphans (most of whom lost their parents to HIV/AIDS) through a charity called Heartbeat, and the last a video made to raise funds for an organisation which trains and finds work for disabled people – EmployAbility.

The Agency’s website was also explored, as well as the two blogs operated by the company (addresses withheld for confidentiality). The blogs are irreverent and highly topical, picking up on the issues on the internet and in the media for the day. They achieve remarkably high internet impression rates (visits) and are often referred to within the creative industry.

### **3.5. Data Analysis**

Producing the evidence required some digging, rather than just picking up of data (McLeod, 2001). I attempted to use a combination of descriptive information emerging from the investigation, as well as my own impressions and feelings to reach an understanding of the phenomenon (Groenewald, 2004).

I kept the interviews on the recording device, and played them back when considering their meaning. Playing them back often hinted at a different meaning in answers to the

one I had immediately presumed. As already mentioned, I also had the interviews transcribed. I became aware of some interesting nuances in the text, especially in those which I transcribed myself. For example, what I had recalled as a simple explanation for why the company was involved in charity work from Ryan, the owner/manager, was in fact full of pauses, suggesting to me that the reason was not actually that simple in his mind.

I looked for triangulation from the different data sources, and found a consistency in most areas. I also made notes during the interviews.

In terms of analysing the data collected at The Agency, the first step was to identify themes, and then to order the data (Paap, 1977). It was immediately obvious that there were two distinct outlooks within company – one more positive and one more negative, and that the negative feelings were a result of the owner/manager's high level of control over the company. Interpreting positivity and negativity from the standpoint of the participants was challenging, as the interviews obviously contained sub-texts, and I had to be careful not to impose my own meaning onto words (Bogdan and Taylor, 1975). I was aware of tension between the two viewpoints coming through in almost all of the themes I discerned as relevant to the study.

I was looking for certain indicators of employee wellbeing and emotional engagement, as informed by the literature. While thematic development methods range from theory-driven to entirely inductive (Boyatzis, 1998), the study at hand relied on the hunch that corporate social philanthropy does have a positive impact on organisational culture and employee wellbeing, and sought evidence to support or falsify this. A substantial portion of the literature review reading was therefore undertaken before the research was conducted. This is not the case with methods such as grounded theory, where the relevant concepts are not known until fieldwork has been conducted and the data has been analysed (Fouche and Delpont, 2002). This approach to coding made analysis easier, as I knew what to look for in developing thematic codes (Boyatzis, 1998), for example to ask

questions around staff turnover rates, levels of remuneration and attitudes towards training. There was no need to modify the theory.

### **3.6. Ethical Considerations**

There are many ethical considerations involved when embarking upon a qualitative study. The researcher's own neutrality is relevant, as is the extent of possible bias and presuppositions which may impact on interpreting the data (Remenyi, 1998). Bias can be described as honestly admitting where you are in your own experience, as opposed to prejudice, which involves conscious, deliberate skewing. This study raised a number of serious ethical concerns.

The first concern related to what I consider potentially embarrassing revelations (Remenyi, 1998). As mentioned previously, I did not anticipate that the theme of unequal power relations would emerge from the interviews as an issue. However, it became very clear that a number of staff felt that the owner/manager was authoritarian. In the third interview I did I heard that the owner/manager had at one stage had a poor temper. This information was later volunteered by another participant, and also emerged in informal discussions with the participants.

Even though the owner/manager was informed that not all findings were positive, and still gave consent for the company name to be used in the report; and even though the negative sentiments were tempered with many very positive comments about his leadership style, I was unsure of how to present this information, or whether to present it at all. In spite of my uneasiness I have nevertheless included it in the interests of the integrity of the case study.

However, while I had initially written up my case study using real names, I decided to use pseudonyms for all participants, and not to reveal the name of the company. This is not foolproof, as the examiners will be exposed to the real name of the company and

some participants through the video documentation. I would therefore prefer that the video footage is not available to the public.

It is also possible that the company could be identified from their unusual line of business, their practices, the charities they have done work for (I have not changed the names of these), and my relationship to them. However, I felt that using anonymity and pseudonyms granted the company and the owner/manager a degree of anonymity from casual readers. I chose pseudonyms rather than referring to "Participant A, B" etc. as I felt it made the dissertation easier to read, and that it would be conducive to representing the different characters in the case study.

In the interests of preserving the anonymity of the participants, I would nevertheless prefer that access to this document is restricted to the Rhodes intra-net, and not made available to the public.

The second area of ethical quandary was around my relationship with The Agency. During the course of 2006 my husband (then fiancé) began a business in partnership with The Agency. This development was entirely unrelated to my research, but meant that I became less of an outsider ("etic view") to the situation, and was to some extent socially connected with the company. I was initially introduced to The Agency by my husband, but the business partnership developed unrelated to this dissertation. This had the advantage of allowing greater access to The Agency than may otherwise have been granted, but the relationships formed, especially with the owner/manager of the company, could also have interfered with my objectivity, and this needs to be noted. As some of the negative threads that emerged from the data revolved around the cultural and ideological dominance of the owner/manager, I had to carefully evaluate how to deal with this.

I was initially hesitant to report on this in the study, but it is a relevant fact. However, as my husband was not part of the company, but merely associated with it, I do not think that the staff perceived me as being aligned with the owner/manager, and I encouraged them to consider me as a neutral party, often going to the office when he was not there.

Remenyi notes three things which need to be disclosed to research participants – namely whether there are agendas on the part of the researcher, what will be done with the completed research, and any connections the researcher has to the organisation or individuals involved that may constitute a conflict of interest. He also emphasises the importance of not forcing participants to reveal information, for example through the management of the company instructing them to (Remenyi, 1998).

I explained the nature of the study to staff, and made it clear that the completed document would not be published, but may be publicly available through university resources. I suspect that because I was concerned with the charity work, I was perceived as interested in “soft” areas, and not considered a threat. It is possible that the participants did not initially take the study too seriously, but they did become very interested in the topic during the interviews.

The anonymity of staff participants is particularly important, as they were asked questions about their perception of company morale and structure. They were advised as to the goals of the study and who would see the report. They were offered the choice not to be interviewed if they did not want to be, and could change their minds about participating in the research at any stage during fieldwork (Babbie and Mouton, 2001). I also assured them that the transcripts of their interviews would not have their names on, and that I would not refer to them by name in my discussion section. The only exceptions to this were the owner/manager and the general manager, who gave permission to use their names and titles, but as I later decided on pseudonyms, this was irrelevant.

I attempted to remain neutral and not provoke any further angry sentiment towards the company (for example, when interviewing Nico), but may not have succeeded entirely. It is possible that the participants had not thoroughly considered whether they were satisfied before I asked them if they were. There is the possibility that my questions led them to realise that they were not, in fact, satisfied, which would be unfortunate.

### **3.7. Research Quality**

While phenomenologists are quick to assert that the subjective nature of human behaviour means that every situation is unique, this obviously raises concerns about whether the research is free from flaws. It is unlikely that any research is completely flawless – the important thing is that it is credible. Guba has attempted to address these by slightly altering the terminology used by positivists in order to evaluate a qualitative study's trustworthiness in four central areas (Shento, 2004).

Firstly, instead of internal validity, he refers to credibility. To ensure credibility, the research methods employed must be well established, there must be proper engagement with the participants or organisation, and there must be triangulation through the use of different data sources (in other words, various sources must be investigated) and the employment of iterative questioning to uncover untruths in interviews (Shento, 2004). I attempted to thoroughly engage with the participants and environment using purposive sampling, and made use of three data sources – interviews, observation and documents.

In terms of the review process, Guba recommends the involvement of a project director or other superior, and the use of peer review to gain fresh perspectives (Shento, 2004). This has been provided for in this study through the involvement of a supervisor and the MBA class of 2004 in a formal review process. Guba also suggests that the researcher supply a brief biography to prove his or her ability to complete the task, as their role is so much more central than in quantitative research, and there could be hidden agendas (Remenyi, 1998). The fact that I have experience in small creative environments such as The Agency is relevant, as it gives me insight into how management often attempts to motivate staff in high pressure situations. I completed the RIBS Research Methodology module in 2005 with 75%, which speaks to my competence to complete the task. In terms of a hidden agenda, I have already mentioned my personal belief that companies should tackle corporate social responsibility issues, even when it is not required by law for them to do so. However, I do not believe that this personal belief constituted enough of an agenda to be damaging to the study.



Guba also emphasises the importance of a “ring of truth” in the work, which can only be discerned through the use of thick description and the provision of context (Shento, 2004). It is important to note that one of the major criticisms levelled against qualitative research is that it lacks rigour. Science can be defined as “the methodical production of new, systematic knowledge” (Van der Mescht, 2002). If this study is to qualify as science, the research process needs to be organised, methodical and systematic, rather than just an entertaining story woven from a loose combination of my observation and own ideas. To achieve this rigour I have worked with three sources of information – interviews, observation and documents. I have, however, used thick description as much as possible, and endeavoured to present the nature of the phenomenon that is staff culture at The Agency within layers of context.

Guba also refers to transferability instead of external validity or generalisability. This means that while the results of the study may not be applicable to all situations (nomothetic), they should be applicable to those with similar circumstances (idiographic) (Shento, 2004). The importance of establishing context is thus again emphasised. I have already mentioned that The Agency has quite extraordinary tactics for improving staff morale. However, while a similar company may not be easily located, a similar methodology is likely to produce similar findings if one were to be found. Similarly, instead of reliability Guba refers to dependability. While a study may not be repeatable, even if within a very similar context, the processes should be sufficiently explained to allow future researchers to repeat the methodology, even if different results are obtained because of different extraneous variables (Shento, 2004). In other words, a proper audit trail should be left. I have documented all interviews and have records of times and dates, as well as the original recordings. I have also kept copies of the videos from the time of study. However, a possible shortcoming of my work was that I did not keep my notes from the interviews in any ordered fashion.

Lastly, instead of objectivity Guba refers to confirmability (Shento, 2004), which requires that the human instrument (the researcher) reveals all possible bias, and attempts to

triangulate all information to confirm assertions (Shento, 2004). In addition to triangulation, which involves looking at different things to find a common answer, it is important to crystallise information, that is, to look at the same thing from different angles (Babbie and Mouton, 2001). I believe my study is confirmable, as I have revealed bias and personal beliefs which could be construed as an agenda. The use of three data sources has provided triangulation, as has the fact that many of the same questions were asked of management and of staff, who were likely to have different agendas.

A problem that was anticipated in the study was the establishment of a sufficiently strong causal link between the corporate social philanthropy activities and any potential benefits to employee wellbeing and company morale. This was because the personality and management style of the owner/manager is so unique as to be a possible explanation in itself for any irregularities, such as extreme passion for the company apparent in some staff members. The number of projects aiming to improve staff satisfaction levels also meant that any employee wellbeing encountered could be the result of various factors. To overcome this problem, I was sure to ask very specific questions about participants' understanding and perception of the charity work

To establish causality the cause needs to precede the effect in time, there has to be an empirical correlation between the two, and the relationship cannot be the result of a third variable. Babbie and Mouton give the example of a high correlation between ice cream sales and drownings being irrelevant due to the presence of a further factor, namely the summer season (Babbie and Mouton, 2001). It was not possible to establish a causal link between the corporate social philanthropy and the good levels of staff satisfaction. However, as this was not a positivist study, the focus is not on establishing a cause for the effect, but rather on understanding the phenomenon in question.

In terms of time, the study was cross-sectional and conducted between April and November 2006.

## **4. Conditions at The Agency**

### **4.1. Background**

The Agency is in many respects an unusual company. To start with, they operate in an extremely focused niche, with no competitors that they know of. On their website they describe themselves as follows: “The Agency are presentation specialists with services covering strategy, implementation, and training. We also look great naked” (website name withheld for confidentiality).

This is a company that seems light-hearted, but as it emerges from the interviews the people are also very serious about their work. As presentation specialists, they deal primarily with PowerPoint as a tool. They are committed to revolutionising the use of this tool, and make scathing reference to conventional applications, which they term “death by PowerPoint”. The Agency aims to make even the most uninteresting content captivating, both through effectively planning the flow of the presentation, and by providing the right visual stimuli for the audience. There are therefore people operating as content strategists as well as technical implementers at The Agency. In addition to PowerPoint, The Agency has considerable video expertise, and documents many events for their clients, as well as using video elements in presentations. This requires staff who are able to film as well as people who can edit. There are also two motion graphic artists (I am told that this is the correct term for what I would call animators), who add in elements such as titles and logos. There has obviously been significant investment in cameras, equipment and software for these purposes.

Although different members of the management team gave different answers as to exactly how many employees The Agency has, it is in the region of twenty people, including a tea lady, a driver for the company limousine and a concierge. There is also one person in Durban, and one in Cape Town as of November 2006. All members of the management team took the support staff into account when answering questions about

age, gender and race of the staff, and seem to unthinkingly regard them as part of the team. The founder and manager, Ryan, is also the 100% owner of The Agency. His general manager is a woman, Jade, and the two mentors mentioned earlier are called Neo and Julian for the purposes of this study.

The company has grown from strength to strength in its ten years of existence, with regular clients including FNB, ABSA, Standard Bank, DiData and Coca-Cola. Their average revenue is high as a percentage per capita of staff, and with a planned expansion to Cape Town it seems as if more growth is on the cards. That said, none of the staff members, including the future manager of the Cape Town office, were aware of the company's long-term plans for the future (meaning the next five years). This is a concern for some staff, while others don't seem to want to think beyond the weekend. There also seemed to be a high degree of trust in the owner – "Ryan will do what's best", which may explain the lack of concern for the long-term future.

Short-term plans for 2007 included the introduction of free meals for staff every day, as well as a bonus system which is linked to performance and scored by both staff and management.

Keeping people happy and entertained appears to be a specific strategy at the company, and there are three projects which serve as visible evidence of this. The first is a team-building concept called "Syphilis" (so named because people are meant to pass it on). This initiative allows a different staff member to buy something fun for the rest of the office every two weeks. The company donates R2 000 for each event, and the staff member is chosen at random. Past events include a spitbraai at the office one Friday afternoon, Thai massages for all staff, and a "Pirates of the Caribbean" week, where staff dressed as pirates and went to watch the movie together.

Other "Syphilis" events include having a comedian come into the office and entertain the staff, a cheerleading contest, and an afternoon playing volleyball. A lot of the projects seem to centre around food, which is of course generally enjoyed by all. However, some

staff members have put considerably more thought into their events. For example, a recent “Syphilis” encouraged staff to get to know one of their colleagues over a week through activities such as making a pizza that they thought the other person would like, painting the other person’s face in a way that they thought illustrated them, and spending time talking to them.

There has also been some kind of “Cluedo” game, but it seems to have been unsuccessful because so many of the staff were out of the office in that week. The office had also gone to an artificial ski slope for the afternoon, and hired inflatable waterslides for the day. “Syphilis” money can apparently also be used to purchase fun things for the office, such as video games, although many of these kinds of things do seem to be provided by the company already.

The men at The Agency have no qualms about dressing up in public if the “Syphilis” requires it, and recently staged a relay race in drag across the parking lot below their office. The video is attached as an appendix, entitled “Fast ’n Furriest”. Another recent escapade was the “Bikini Carwash Day”, where the men in the office donned bikinis and washed the cars belonging to the women. This was also done in public, to the general manager’s horror.

These activities are as bizarre as they sound. The people at The Agency are a loud and raucous bunch, and as far from conservative as can be imagined. This is illustrated in videos such as “Cheerleader Dance-off.” It is also clear from the interviews as well as looking at the videos that the company is proud of its eccentricity, and of how much fun they have. That there are moments of real joy and team spirit is captured in videos such as “Buttercup”, and in participant statements that they wouldn’t want to work anywhere else. As a picture of The Agency culture began to emerge through interviews, I began to think that they were a very homogenous culture – all listening to heavy metal and punk rock, and all in possession of a hearty disrespect for convention.

The second morale building project is called “Caught in the Act”. The Agency purchases R5 000 worth of vouchers from the nearby Northgate shopping centre every month, and asks staff members to give these to any of their peers who they see going above and beyond the call of their general job description. Not many staff members mentioned this initiative though, and one of the ones who did said that people were not using the reward system correctly, but were just giving vouchers to people that they liked.

The Agency’s exact turnover figures are confidential, but are very good as a ratio to people employed, compared to small creative agencies, as reviewed in the *Financial Mail Adfocus* (Koenderman, 2007). They are nevertheless spending quite a bit of money on initiatives such as “Caught in the Act” to make people feel that their work is appreciated. The fact that staff are allowed to choose the winners is also interesting, as in my personal experience most companies with similar ideas have managers doing the awarding.

The third really unusual element at The Agency is the motion graphic artist employed solely to produce video clips to entertain staff. These are remarkably professionally executed. The videos are often dramatisations of the various “Syphilis” activities, or document other team-building activities. Various examples of these are attached as appendices, including:

- An air guitar contest held in the office. Staff were encouraged to pretend to be rock stars, playing imaginary guitars on an imaginary stage. Other staff cheered and threw underwear at them. This is my favourite video, as it showcases the sense of mock drama that is often present at The Agency. It also shows their technical skill – the entire video was shot in their office one afternoon.
- An office version of the popular TV show “Fear Factor”. This involved staff members challenging one another to do things that they were afraid to do, such as eating raw chillies and worms, and enduring electric shocks. This video highlights the uninhibited, playful and sometimes crass culture of The Agency, in stark contrast to many more restrained corporate environments. It also shows the office environment – somewhat chaotic and cluttered but very energetic.

- The staff members snowboarding at the artificial ski slope in Johannesburg, and building snowmen. This “Syphilis” exercise turned into a much rougher experience than the ski slope owners were accustomed to and there were a few injuries, including a broken coccyx.
- “Buttercup”, a video of clients and staff singing along to a song in the office while working. This video exudes warmth and team spirit, and is probably one of the more natural ones, as it wasn’t a deliberate team-building exercise. It is interesting to note that many people are construing to work while the video is being filmed – there is someone on the phone and a number of people still busy at their laptops – pausing to sing into the microphone when it’s given to them. This suggests to me that work and fun are integrated at The Agency on a regular basis. It also shows how comfortable the staff are with being filmed, something that they probably had to become accustomed to.
- A video of one of the “Syphilis” events where staff were attempting to stay on bucking bronco machines, with limited success.

All of the videos made are shown at status meetings in the mornings and are shared around the office. These videos almost make the staff seem like movie stars – this is definitely the aim in the clip “Babes of The Agency”, where the women in the office adopt various glamorous James Bond movie poses. In a way, The Agency team are immortalised in these videos, which successfully capture the spirit of a team in a specific time period, and possibly create a sense of belonging amongst participants. Videos are sometimes dedicated to specific people, for example one made for the winner of The Agency “Lifetime Award Achiever”, comprising a collection of all the footage of him in the various videos made during that year.

It would seem that the active interest The Agency shows in staff morale is owed to three factors:

- To counter the effect of a very stressful job (management and many participants volunteer this information)

- To position the company in the minds of clients (management, including Ryan, agrees with this)
- To counter the effect of Ryan's occasional moodiness (some of the staff agree with this)

Most staff claim to socialise with one another outside of the office, although actual evidence of this was scant... On one weekend in November 2006, however, it seems that almost the entire staff complement was out on the town on two consecutive nights, the first one being a farewell party for the individual starting up the Cape Town office, and the second being a birthday party for one of the staff who had left and then returned to The Agency. It should be noted that Ryan did not attend either event, perhaps for personal reasons, but one staff member did comment that he doesn't tend to socialise with the company outside of company time. This is probably a reasonable stance given that he needs to retain their respect, and may be reluctant to form close bonds with staff.

Ryan is a central figure at The Agency, so it is important to gain insight into his personality. In one interview, he laughed at the use of the term "gender equity" to describe the amount of women employed in his company. He prefers the language of the real world, and claims to have no interest in studying, as he sees no need. Ryan has a strong, sometimes overwhelming character, and talks almost incessantly. He is energetic and loud. He is passionate about his business, and determined to leave a mark in life.

A recent PR article on The Agency describes them as "a cure for boredom" (biz-community, 2006). To understand how far removed the company is from a boring corporate operation, one simply has to take a walk through their offices. I include a narrative on the experience of entering The Agency for the first time to give the reader insight into this unusual environment.



## **4.2. Nature of Philanthropy at The Agency**

The Agency donates approximately R30 000 per month in work to worthy causes. They refer to their social involvement as “charity work” and some were unfamiliar with the term “corporate social responsibility”. According to various staff members, this work equates to around ten hours in a month, and sometimes more. The work can be anything that The Agency produces, including videos, PowerPoint presentations and coaching.

The CHOC cow parade, for example, required that The Agency create a presentation with pictures of all the cows that were painted for charity. This involved taking pictures of the cows and designing the presentation. Most of the work appears to be video though, allowing the charities to effectively capture what it is that they do to show potential donors. This leads to two important points:

1. The video that the team makes is worth R30 000, but can be used to raise hundreds of thousands of rand. Almost all respondents had realised this, and were pleased at the potential that the tool they provided offered a charity.
2. A second important point about the nature of the work is that The Agency employees are offering a skill that few others can offer, rather than just giving money, which anybody could theoretically do. Creating videos is a specialised capability.

The fact that employees are able to offer something that could truly be worth millions, coupled with the fact that only they are in a position to offer this, is likely to make them feel that their work is valuable and important in a way that their ordinary work is not.

Members of The Agency who work on projects are exposed to the charity workers, as well as to the end recipients of the fund. Because they need to capture the recipients on film, they tend to interact with the end recipients on a fairly extensive level. That the staff come into close contact with the children they’ve raised funds for is clearly shown on the three Yenzani and Heartbeat videos attached as appendices.

Staff volunteer to work on charities, and Jade, the general manager, stresses that nobody is forced to work on a project which makes them uncomfortable. Although nobody has ever refused to work on a charity, it seems as if some staff members may have been upset by working with cancer patients in the past.

Staff have the opportunity to propose a charity of their choice, which they will then be put in charge of. They tend to choose charities which resonate with them in some way or another, and implementation is fairly haphazard. No results are measured. There are mixed reports of how many people have been involved with charity work – while management seems to feel that almost everyone has done something, many of the staff interviewed had never been involved with the charity work. This could be related to skills, as video ability is often essential for these projects. Support staff (admin, IT) are not generally involved.

The charity work is an interesting part of the positioning of The Agency, as it is in contrast to the tattoos and punk rock/heavy metal culture of the company, and suggests to me that while they may look “hardcore”, they’re also sensitive. The fact that staff at The Agency appear to be anarchic and anti the world of business suits, yet care for small children and animals, almost makes them seem like renegade heroes from a movie. It makes them interesting. They are likely to be aware of this.

The charity work was initiated in 2003, when the Ryan was contracted by Nkosi’s Haven to produce a video to assist them with fundraising. The sheer emotion experienced when the video was viewed at the office led to a decision not to charge the charity. Various respondents refer to the impact of the video on their collective conscience, saying it was a “pass the tissues” moment, and a “phenomenal” video. Unfortunately the music rights on this particular video have expired, and it was not possible to attach it as an appendix.

The Agency had made small donations to local charities before the Nkosi’s Haven incident, and had experienced quite serious cheque fraud, which seems to have made them suspicious and reluctant to engage with non-profit organisations. The Nkosi’s

Haven video was clearly a turning point in their activities. Since then they have been involved with Nkosi's Haven, CHOC, Animals in Distress, EmployAbility, Heartbeat, Yenzani Kids Haven and Plaistow Trust, among others. Yenzani, Heartbeat and EmployAbility videos are attached as appendices. Regular support is given to CHOC, Heartbeat and Yenzani, which all involve children in distress.

Ryan is emphatic that The Agency should support lesser-known charities or "lost causes" as he terms them, as he feels that organisations such as the Nelson Mandela Children's Fund have no trouble raising funds by themselves. "Steps" is an example of such a smaller charity, assisting clubfoot children whose parents or caregivers are unable to afford the treatment that can alleviate the condition. This is an interesting stance – if the bigger companies are helping the bigger charities (the perception at The Agency is that large corporates are only donating money, and are not actively involved in making a difference on the ground), then there is a logical place for the smaller companies to help the smaller charities. It emerges from the data that The Agency feel that donating money is not good enough, and there is a sense that they are proud of the fact that they donate work rather than money, as it achieves better results.

It is important to note that this is charity in the sense that The Agency is not making a direct financial profit from it, and the staff are paid a monthly salary regardless of whether they work on normal or on charity work. To them there is no financial sacrifice involved, only the potential reward of the experience of giving. Ryan, as the only shareholder, bears all of the financial loss Friedman is concerned with (Friedman, 1970).

In terms of Carroll's four-part definition of CSR, The Agency are involved with philanthropy (Carroll, 2006) as well as complying with legal requirements such as paying overtime to staff. As will emerge from the study, the firm does not appear to be practising philanthropy for truly strategic reasons, as the implementation is random, although Ryan does realise that it makes "the guys feel good".

I should stress that in doing this work, The Agency is a rare company indeed. After contacting various small business organisations and publications, I did not find a single other small business (defined as having less than thirty employees) making regular donations in Johannesburg, although there was one other candidate in Cape Town.

### **4.3. A Walk Through the Offices of The Agency**

Instead of a reception area, The Agency has a bathroom, tiled to the roof in shining white, complete with two toilets, a basin and harsh fluorescent lighting. At this point many people assume they've made a wrong turn and beat a hasty retreat out through the glass sliding doors, hoping to avoid running into anybody.

Those who get through the bathroom entrance encounter Herman the concierge at the door, ever handy with the cappuccino machine. Herman is typically dressed in shorts and a black t-shirt, and stands under a blackboard which is regularly updated by a local graphic artist. Today it reads:

“The only difference between me and a madman is that I'm not mad – Dali”

A few months ago it read:

“Don't hire us because we're fun and interesting. Hire us because you're not.”

Herman is an opera singer on weekends, and despite regular public performances, admits that he cannot read a note of sheet music, so learns scores by listening to CD recordings.

Three of the walls are painted in squares of black and white, causing a slight optical illusion (and possibly a sensation of nausea after too long in the office), and the company name is emblazoned across the entire back wall in graffiti. MTV blares punk rock from multiple television sets mounted on the ceiling. On the opposite wall is another blackboard, decoratively painted with a menu. Behind Herman are the staff of The Agency. There are games on every available surface in the office, including a very popular reaction-testing game, which runs a light electric current through the hand of the slowest person to press buttons in a certain sequence.

Herman offers refreshments in his baritone voice, and escorts clients who have just been collected in The Agency's stretch limousine through to Ryan's office, which has a double bed instead of a desk. The bed and a shelf full of plastic toys takes up most of the office. Ryan, the owner and manager of The Agency, has red and yellow flames tattooed up his arms and spiked-up hair – he's wearing baggy skateboarding shoes and shorts, and is on two phones at once, gesturing wildly at nobody in particular. He's shouting. The creative energy in his office is palpable. Sun pours through a window with a view of the shopping centre downstairs. All except one member of staff apparently live within ten kilometres of the centre, making daily morning traffic much less of a nightmare than it is for most Johannesburg commuters. On Ryan's bookshelf are a number of books by Seth Godin. Seth Godin considers The Agency the only company in South Africa which is a "purple cow" company, meaning that it is significantly revolutionary in its way of doing business as compared to the category.

Although he uses "South Africanisms" constantly, Ryan has a slight American accent, and speaks so quickly that it's sometimes difficult to follow his ever-changing train of thought. His employees and colleagues describe him as charismatic and brilliant, if often moody. They all make mention of his hugely generous spirit, with one respondent saying it is the only saving grace for his tough side, which can make him difficult to work with. Many of the people around him have picked up traces of his accent and mannerisms. Ryan mentions that his tattoos mean that waiters never forget him, but it seems that most people would struggle to forget someone with as much vitality. He has a four year old son who sometimes spends time at the office, and also appears on the company website. Ryan seems to have every gadget possible in his small office, including a limited edition memory stick shaped like a cartoon character which he brought back from New York a few weeks ago. All those interviewed agree – Ryan is The Agency.

While the clients, who are wearing ties and look important, wait apprehensively on the edge of the bed, Herman whips up cappuccinos and orders for green tea. He is hidden from sight while doing this by a large silver mannequin wearing a The Agency T-shirt,

and a plastic table game involving sumo wrestlers. Jade, the general and office manager, strides past in jeans and a Puma crop top, all blonde hair and efficiency, heading purposefully down the corridor with a clipboard in hand.

Behind Herman is a row of seven people with various tattoos and piercings, heads bent over gleaming Apple Macs. One of them bears a strange similarity to Wolverine in the movie *X-Men*, down to the studded leather accessories and sculpted hair. The one with his hair engineered into a long Mohican is a stand-up comedian in his spare time. A slight, pretty girl in a pink vest and black-rimmed glasses has more piercings than all the rest of the staff combined, including a number in her lower lip. She has the Japanese cartoon animal “Hello Kitty” tattooed on her wrist – she explains that this one is the most recent addition to her collection of skin art.

The work areas in the row are cramped, but the staff have a smokers room around the corner, complete with Foosball machine and the video game “Mortal Kombat” for when they want to take a break. They can also go down to the parking lot and ride around on segways, two-wheel constructions propelled forward by the motion of the body standing on them. A segway costs around R40 000 – clearly The Agency is serious about keeping staff entertained. This row of seven behaves like the ultimate peanut gallery, loudly passing comment to one another on everyone who walks past, employee or otherwise, while barely looking up from their work. Some wear earphones and don’t look up at all, but merely bob to the music in their heads. Their workspaces are decorated with construction signs, photos of one another from team-building events, and various odd items of memorabilia, including lots of toys and the occasional weapon.

Next to the smokers room is Julian’s office. Julian, one of the creative mentors, has his long dark hair pulled neatly back into a ponytail and works at a coffin instead of a desk, but when one is this far down the corridor one barely notices this detail. A number of Star Wars posters are stuck up, and the music is coming from different sources now. The walls are painted pitch black. Moving further into The Agency we pass some loudly

arguing video editors and two motion graphic artists deeply absorbed in their work, heads bobbing.

Belinda's office is next. It is painted with fairies and bluebells of monstrous proportions, towering over her while she handles the administrative work for The Agency. Belinda clearly has a gentle side despite the piercings – there are a number of children's toys on top of her computer. In fact, Belinda was the owner of the soft toy which was "kidnapped" by the motion graphic artists in September 2006. One of the artists, Ed, is hired solely to make movies to entertain the staff, and decided that kidnapping the Muppet toy would make a good story. The little Muppet became the subject of a three part video series, currently featured on the global file sharing website "www.YouTube.com" and proving popular with the public.

The animator who will later kidnap the soft toy is in Belinda's office this morning, leaning against the photocopier and saying how much the Muppet irritates him with its little electronic laugh. The animator's desk looks like the kind of desk that has seen far too many late nights of work. He has recently launched "TATV" (The Agency TV), and films all team outings, which are regular, as well as making movies of general office activities and the pranks which employees pull on one another.

At the end of the corridor is a fake beach, where clients and staff can get sand between their toes and pretend that the painted seascape is real. The beach is actually a viewing room for presentations, with a projector and screen, and deckchairs for the audience. It is very likely that a simple call to the concierge would result in the speedy delivery of brightly-coloured cocktails in tall glasses with paper umbrellas. Everyone who visits The Agency receives a specially designed cardboard "doggy bag", with The Agency logo and trademark black and white squares, filled with sweets and chocolates, to take home with them. Ryan is holding one out now.

The striking differences between The Agency and most other companies are not accidental, as Ryan confirms:

“What I believe we do particularly well, but it’s definitely not the only thing, is we look at everything that is absolutely mundane and accepted and we work out how we could change that.”

He pulls out a set of three business cards which comprise the current The Agency series, and shows how the cards become talking points, rather than just pieces of information exchanged in meetings. This is consistent with The Agency ethos of exceeding expectations wherever possible. Two of the cards are in Russian – one is translated as: “your presentation will be as good looking as the person who gave you this card”. The other one says: “Are your presentations putting people to sleep? Hire us because we’re insomnia merchants.” The images are provocative depictions of the British Royal family and Eugene Terreblanche. These cards are collectors’ items, with clients asking for the whole set each time a new series is designed. Ryan explains that he wants people who visit to talk about The Agency not only when they go back to their offices, but when they go back to their homes.

## **5. Data Analysis and Interpretation: Themes**

A number of distinct themes came through in the interviews, supported by observation and the document analysis. The themes take into account the fact that there are varying degrees of positivity amongst participants with regards to Ryan’s management style.

### **5.1. Happiness**

Ryan is emphatic that it is important to him that staff are happy, and that The Agency is seen as a fun place to work. Although no definite comparisons can be made with similar companies in terms of remuneration, overtime or staff turnover, almost all staff claimed to be happier working at The Agency than they had ever been at another company, and to have learned a great deal. This applies not only to skills, but also to self-confidence. They



enjoyed the fun activities organised for them, and seemed to feel that they were in a healthy, positive environment where they were able to realise their potential.

Neo, a member of the management team, thinks that people are happier at The Agency than at other companies in his experience. He says that he personally has never been happier. James says that The Agency is different from all the companies he's worked at before because "you have fun while you work – other places you work and then you have fun after that". The Agency does appear to manage to do both at once, with breakfast in the office most Mondays and a braai for lunch on at least one other day. Even Nico, a more negative participant, says that he stays with The Agency because of the dynamic and creative nature of the team, and because he enjoys the pressure as much as the fun and games.

The team is certainly high-spirited, and all participants speak enthusiastically about the team-building events and culture of fun. The video footage bears testament to this exuberant culture. Jodie feels that the whole company philosophy is to make work as much fun as possible.

In my opinion, staff morale is as good as it should be at The Agency given the significant investment in keeping it high. It would be almost impossible not to have fun at The Agency – in fact, the interview sessions alone were tremendous fun, and the cheerful, madcap mood was infectiousness. Not only are participants happy though, they clearly feel part of an exclusive team which is "cool".

## **5.2. "Cool" culture**

Neo is of the opinion that outsiders see The Agency as an "elite club that people want to be a part of". He laughingly tells me that being part of The Agency is like being one of the cool kids at school. As is to be expected, he enjoys telling me this, and appears to be proud to be a part of The Agency. Ryan and Jade also tell me that everything the agency

does is different and better. Jade notes that a lot of people want to work at The Agency. Throughout the fieldwork I received the distinct impression that many of the participants took pleasure in telling me about how unusual the company was. My interest and note-taking seemed to encourage them to tell me more. Herman tells me about the half pipe for skateboarding that used to take up most of the office, and the purple and yellow walls that were in the old building, deducing that I do not work in a company where anything is yellow and purple. Many participants welcome an audience, as they have interesting stories to relate. I was also conservatively dressed relative to the participants for all of the interviews, and have no tattoos or piercings. In fact I recall wearing pearls on one occasion, which may have led to them considering me less of an insider, and so requiring more of an explanation of the situation. I believe that this was fortunate, as they did not take any understanding on my part for granted, and felt comfortable that I was certainly not “cooler” than them.

### **5.3. Fun makes the work manageable**

There is a tension in the understanding of the nature of the company that most participants have. Is it an entertaining, thrilling place to work, or does it represent the hardest they've had to work in their lives? For example, it is clear in Neo's interview that he considers the company to be at once a flexible, casual environment as well as a well-oiled machine with a strong work ethic. Even though there are toys scattered around the office suggesting a lot of joking around, Neo refers to the fact the even if people have glandular fever the work will get done, while also Belinda also remarks on the high levels of stress that most people are under. Jade refers to working until four in the morning for a week at some stage in 2005, and James maintains that people at The Agency are generally pushed to their limits in terms of service delivery. Ed also talks about heavy workloads and tight deadlines. Nico, too, is well aware of this contradiction, and says while the company looks like fun from the outside it is very different to actually work there:

“[people think we are] ... bugging around all the whole time, making fun videos having this awesome office which plays a lot of like live music, and tv’s all over the place and that’s what they see and attracts them ... a lot of toys with segways they can ride on. And they see that, but they don’t know the amount of hours you work, how hard it is here, the stress levels, the up and down levels, the inconsistency in emotional behaviour, that type of thing”.

The contradiction between the wild times had at The Agency and the intense workload seems to have even confused some interns, as Neo notes that new staff who eagerly arrived thinking that the company was all about a fun culture discovered with a shock that there was also work to be done.

Most staff appear to feel that they work extremely hard, and are often working late at the office. It is my perception that people do often work late, as well as on the weekends, as I conducted a number of interviews in the evening and found the office far from empty. However, some participants mentioned that sometimes they just stayed late in the office because it was a fun place to “hang out” (presumably more fun than their homes). Consistently, Jade also notes that people often stay late at the office simply because they like it at the office.

The reason for any overtime does not seem to be directly related to excessive workload, but rather to clients providing information late, which is difficult to control. Surprisingly, most participants didn’t complain about the hard work they do – they seem to take great pride in going the extra mile, even coming in to work sick. It would seem that the hard work is more than compensated for by the fun aspects of working at The Agency, and that this suggests a strong employment value proposition is in place (Woolridge, 2006).

However, there is evidence that this was not always the case. Discussions with Jade around staff turnover revealed that at the beginning of 2005 almost all of the staff had left. At the time the workforce comprised the original The Agency members, who had been with the company for six or seven years, in other words since its inception.

Apparently when this happened Ryan considered closing the company for the first time, although they made more money in that month than they ever had before.

The reason for the mass exodus is difficult to establish. Jade refers to it as a direct consequence of the immense workload: “working until four in the morning, seven days a week ... some people just can’t cope with that.” Another participant, however, later notes that most people leave because they clash with Ryan in one way or another. The way in which the resignations are described by Jade is strange: “it was almost as if one guy left and the rest realised hey ... we can leave!” The majority of current staff have been hired in the past year or so, as the company has grown, and seem to be only dimly aware of the “exodus” event.

It should be noted that both Jade and Tara observe that workloads have decreased recently, and that working on weekends is now the exception rather than the rule. This may relate to the fact that while staff are not paid overtime during the week, the company has recently begun paying overtime over the weekend.

Nevertheless, the idea that The Agency is a place where you can have the time of your life if your performance is the best you can deliver is something that seems to appeal to the participants, who clearly take pride in their work.

It is also clear that the high morale created by the various fun activities makes the work more bearable. It is possible that Ryan’s employees are working harder than those in most other agencies, purely because of the strong culture of play. Most participants seemed comfortable with the notion that the fun culture meant they actually worked harder, even suggesting it to me. Jodie observes a clear correlation between doing “fun stuff” to improve staff morale and achieving higher levels of productivity (it appears that at one stage there was a lapse in “fun stuff”, with negative results). Similarly, Nico says it is clear that the team-building activities are deliberate strategies, rather than just the nature of the company. For this reason he considers the activities superficial, but does

still enjoy them. Ed comments that the demands made of employees in terms of workload means that the fun activities are critical.

#### **5.4. Culture where you can be yourself ... if you're like everyone else**

A number of staff hold the view that their company is a place where you can be yourself. Belinda talks about people not being pretentious or bitchy, but rather really close. Neo mentions a lack of corporate guidelines, and also feels that the company is made up of a group of misfits who are able to fit in for the first time in their lives.

At the same time though, observation reveals that the staff are very homogenous. While the office certainly looks fun for boys and men in their early twenties who like to skateboard, it could possibly be intimidating and even overwhelming for people who don't share the same mindset. The same type of music is played (punk rock is the preferred genre), and the staff dress in a similar fashion – baggy shorts and skateboarding shoes. Tara notes that if you don't like the music, it's tough – you have to listen to it.

There is also great interest in tattoos and piercings, and even the women have various tattoos visible on their hands, arms and shoulders. The Agency pays for staff tattoos, and displays them on their website. This raises the question of why the staff profiles are so similar at The Agency, and whether this is a good thing in our diverse South African context.

The oldest staff member (Ryan) is thirty-three, and of the twenty or so permanent staff only four are currently female. Only the tea lady and the limo driver are black, although one of the “video guys” who has recently left to study further was also black. The Agency is not even slightly representative of the population demographics. Three participants from the general staff complement explain the similarity between staff as being a function of the recruitment process – The Agency began with Ryan, and then

guys will go home – we're working on a thing at the moment called Given (?) Organisation, one of the charities that we're doing, they'd got the mindset totally wrong, they way they'd positioned this company and we came up with the, essentially the name and the face of their company, and they've got already two million rand in funding, and we're helping them with their CI and branding and all kinds of issues, but they've got it totally wrong because they didn't let the recipient feel good enough about themselves. And that's often with these golf days, you've got to create something that when a guy goes to a golf day that don't get to go home and think ah, I spent 500 bucks at a golf day, they go home and think fuck, I helped today, this is awesome, you must see this kid he's so cute and it's so good, I feel really good about myself. So you're actually making the donor feel that they've done something worthwhile as well. So it's kind of like a win win win situation.

**But that's so important, it's almost a kind of tactical thing – we got presents from Christiaan's previous company for Christmas, and they gave us, instead of giving us another crappy chess set...branded...which I get a lot of, they gave us a card and it said: you have helped Marinda, and you've bought her a school bag and I thought wow, that really blew me away.**

Yeah, that's power, I like that. That's cool. Yeah instead of...like Lisa's company, talking about gifts, just on another topic, Lisa's company like a big international Swiss (inaudible) company, they gave her, they had a record month, so every member of staff got a Swatch watch that said...like a cheap, white plastic thing, like those old school, they were like in fashion when we were sixteen? Swatch watch that says Firm F (?), and Firm F (?) written on the strap, all over it, it was a waste of money, nobody's ever going to...

**I've got ones like that from etv actually.**

I mean there's no point.

grew to include people he met and liked, who tended to be similar to him in terms of attitude and musical taste. A number of respondents seemed surprised to realise during the interviews that everyone in the company has a similar taste in music and style of dress.

With regard to the low percentage of women in terms of the overall population split, Jade, the female general manager, notes that there are currently more women at The Agency than ever in its history (five, including the tea lady). However, she admits that she's the reason that more women haven't joined though – she enjoys working with men more than women, so has decided not to hire more women. Nico also mentions that Jade doesn't like working with women. Jade, who is twenty-five and largely responsible for the day-to-day running of the company, stresses the importance of being one of the boys. She says this is because one has to cope with the fun activities at the company, which can be rough, as well as retain the respect of “the guys.”

Clearly, not everyone would fit into this environment. Nico assures me that The Agency way is Ryan's way, and notes “you're either going to thrive in The Agency or you're going to hate it”. He is emphatic that it is an environment only suited to certain personalities, also mentioning that I did not look like one of them to him! That said, he later concedes that The Agency is like a family, and he feels part of that family. He seems to be angry with the company, but still regards it as an important part of his life.

Jade comments that The Agency is like a family who you don't always get on with, but who you need to be close to – meaning that the choice of who to hire is critical. Along with other respondents, she notes that the deadline-driven nature of the work means that it's important to work with people you can have respect for, even though she admits that not everyone loves everyone else. Other respondents echoed the sentiment that The Agency was like a family, and almost seemed to be grateful to have been “taken in” by the company.

The idea of The Agency as a family comes through in a number of interviews. It is interesting that Neo refers to the team as misfits, as it suggests that they may have been rejected by their real families or social surroundings to some extent, and have now found a home.

When I ask Jade if I would be happy in the company, coming from a corporate environment and working on banking clients, she admits that it's not for everyone. However, Herman is given as an example of someone who isn't like the rest of The Agency employees by Neo, who assures me that Herman, despite his interest in classical music, is very happy within a culture of "skate kids".

Gareth makes an interesting point about the type of people which are drawn to the company – he says that it may look like everyone is a rebel (he doesn't use the word misfit, but it seems that he is making a similar point to the one made by Neo earlier), but in fact everyone has something to prove, and has a problem with authority. This contradicts other statements suggesting that The Agency is more of an autocracy than a democracy, but does reinforce other statements about Ryan hiring for attitude rather than aptitude. Gareth maintains that Ryan looks for this spirit of wanting to make a mark in people, and that this is why the company is like a family.

It seems to me that The Agency is a close and slightly closed culture, and only suited to people who enjoy a certain way of life. This may be a function of age, as everyone is relatively young. The large amount of team-building may have brought the employees closer together, along with the long hours spent together at the office. It could also be the recruitment process, as the participants suggest. Regardless of the reason for the closeness, The Agency has achieved a strong and exclusive team spirit amongst staff.



## **5.5. Ryan is The Agency, and sometimes it's a rollercoaster ride**

Nico observes: “without Ryan there is no Agency”. Similarly, Jodie says: “he basically is The Agency. Essentially the whole philosophy behind it is like his philosophy”. Belinda agrees that the company would be very different if it weren't for Ryan, who tries to make it fun for them. Certainly, it seems as if Ryan's presence dominates the company – people are generally aware of whether he's in the office or not, and in what area of the office he is at any given moment. While all participants agree that Ryan is The Agency, a number also mention that being around Ryan is not always easy.

James sums up Ryan's personality as extreme – generous and kind, but with a hard, strict side that is ‘important for business’. Nico acknowledges Ryan's soft side, as well as that his hard side has driven the company, but raises concerns about its impact on staff morale. He maintains that almost everyone who has left has left because they clashed with Ryan. After a clash people would either leave or be asked to leave by Ryan. Nico feels strongly that the culture is not democratic, and that management is not approachable. Ryan's temper is mentioned by three respondents, with Nico going so far to say that people are scared of Ryan. A number of participants mention that Ryan had “punched walls” in anger some years ago.

In contrast though, Jake mentions that he enjoys working at The Agency because for once he feels that his boss is working towards his benefit, as opposed to an environment where management and staff are opposed. When probed, most staff interviewed also agreed that Ryan was a kind and generous person, and that he would help anyone that he could, including members of staff who might be going through a tough time financially. There is also evidence that he gives out presents, and rewards work done well instantly and generously. His management team note that he is tough and loud but a huge “softie”. Most participants also said that they enjoy working for him because his energy is

infectious and because he “makes things fun for us, and goes to a lot of effort to take care of us”.

This is a little contradictory, and I suspect that many of the staff have a slightly confusing relationship with Ryan, who seems to veer between extremes. It was clear to me from observation, the interviews and from a number of anecdotes told in informal situations that Ryan has a powerful personality, and does not easily tolerate being challenged within his organisation.

However, it emerges from the interviews with Nico and Ed that Ryan’s temper is much better now than it was in the past. They both seem to feel that he is making a conscious effort to be less aggressive, and using morale-building tactics to help make the company into a happy place. It is concerning that Ed mentions that Ryan is trying to buy everyone, but his tone in the interview suggests that he did not mean this in an entirely negative way.

Ryan’s personality and mood have a profound effect on the morale of the staff. When Ryan is happy, staff are relaxed and happy. The initiatives around staff morale as well as charity work are driven by Ryan. The impact that one person can have on culture, to the extent that they are the creators of the culture, shows how leadership can affect morale, and suggests that CSR initiatives could be easily implemented as part of a company’s day to day practices with the backing of inspirational management.

## **5.6. EVP involving culture and training**

Most interviews reveal that staff feel they are well compensated for their time. Neo emphasises management’s commitment to training and mentoring, to enable skills to transfer more quickly. Only three people at The Agency hold tertiary qualifications, with the majority having been hired from diverse walks of life and given skills at the company. The owner/manager’s sentiment that one should “hire for attitude, train for aptitude” was

repeated by almost all respondents, although one member of the management team did remark that the graduate most recently hired, a journalism student from Rhodes, was clearly outperforming other team members, and that they would consider hiring more graduates and more “mature” people in future.

It was also mentioned that training up can be very costly, and frustrating when people take their skills elsewhere. The second graduate has a BSc in Computer Science, but has joined The Agency as a junior motion graphic artist, which is obviously an unrelated field. The third graduate has a BComm in Marketing and has been tasked with opening the Cape Town office, which was to have been operational towards the end of 2006.

While some employees have qualifications or experience in other fields, there is no formal training available for presentation strategy and implementation, so most arrived with “zero relevant skill”, as Ryan notes. Many were found in skate or music shops, and were chosen because Ryan felt there was something about them that would work at The Agency. According to Jade, the company will pay for any training that any staff member wants, as long as a “B” aggregate is achieved, or management can see that the individual’s best effort was applied. Nico agrees that Ryan gives people with no experience a chance and trains them up. The EVP theory states that opportunities to gain skills is a significant factor in employee satisfaction (Woolridge, 2006).

Many participants also mentioned that even though they worked hard, their efforts were acknowledged, both financially and through recognition within the company, with one participant stating that their salary had doubled within a year when they had proven themselves to Ryan. Jade points out that if one works hard and shows initiative at The Agency, one can be very quickly promoted. Regular bonuses also appear to be paid for all jobs well done. Respondents felt although they weren’t necessarily earning above average salaries, they would not receive this kind of bonus compensation and recognition from other companies. While salary bands were not disclosed, management feels that people are paid well for what they are able to prove they are worth. Nico disagrees, but it

is a difficult question to answer as the company is so specialised, and there are few other entities against which to benchmark.

On the whole, all participants agree that there is opportunity for personal growth at The Agency, and seem excited about the skills they have acquired while working there. Some have become very specialised indeed, which makes them highly marketable should they choose to leave.

However, mention is made of a 2006 conference at which management discussed the fact that some people felt management was unapproachable, and that people felt they could never be promoted because management would never “move over”. As a result of this, two members of the management team have been renamed “mentors” and only Ryan, as MD, and Jade, as GM, remain management. Jade and the two mentors have recently begun holding management meetings without Ryan, who will be devoting more time to the Cape Town office once it is up and running.

While many of the participants talk about Ryan’s philosophy of “hiring for attitude, training for aptitude”, James gives a slightly inconsistent account. He acknowledges that some staff are hired young and given training, but feels that there is a generally high level of experience in The Agency. This may be because a great deal of training has already happened, and the last major staff turnover period had taken place some time before the fieldwork was conducted.

Nico does not recognise a successful EVP at The Agency. He believes that people are not earning enough, and that as soon as they have the experience to be employable elsewhere they are likely to leave, despite the “fun stuff”. This may be because Nico has not personally experienced the training aspect of the EVP (he was one of the few who were hired with experience). It may also be that he is not as emphatic about the statement as I assume he is – as he later mentions the dynamic and creative nature of the team as reasons that he stays at The Agency despite dissatisfaction with the management style.

Most participants share this passion for the culture – they appear to be emotionally engaged by the EVP.

Evidence of staff being satisfied with the company's EVP would be found in low turnover rates (Work and Family Unit, 2002). I have already referred to an almost 100% turnover some time before the fieldwork started. Jade states that those who left at that time simply reached their threshold, and unfortunately took all their knowledge with them. This meant that the new employees (including Jade) were in an almost brand new environment. This must have been very traumatic for Ryan and for the rest of the company as skills levels had to be built up again. It seems that Ryan is a very hands-on manager, who was up until recently personally involved in as many projects as possible, and took training responsibilities upon himself. However, as the amount of staff increased this was no longer viable.

Such a high staff turnover suggests that the work pressure must have been enormous, but it is positive that a number of those who left later returned to The Agency, and are currently employed there, including the staff member responsible for TATV and the comedian, who seems to be a central figure. I hear from one participant that few people have left since that time, although someone else observes that three people have left in the past eight months. Jade also mentions having to fire people at the beginning of 2006. These may or not be the same people.

As The Agency is operating in a relatively niche environment, it is difficult to say whether these are high figures, but it does not seem to have had any impact on the business. However, I cannot say with certainty that The Agency has a low staff turnover as an indicator of staff satisfaction. I rely on staff asserting that they are happy and satisfied.

## 5.7. Charity is the right thing to do

When asked why he involved the company in charity work, Ryan gives a clear, three-fold answer: Primarily, it is to make the staff feel good. He refers to the response he had from a client on some early work, and how it led to his decision to do regular charity work:

“(The woman representing the charity) said I’d finally kindof given her some hope that there were like good people out there. And it was so nice to be the guy that did that, I mean it’s such a feel good thing! And my company’s always been about my guys feeling good and things like that, and I wanted them to get this feeling ... and I thought well, there is something ...

If I could make other guys in the company feel as good about this as I have, you know. Maybe that’s a good thing ... Primary motivation is to let them feel that sense of wow, helping someone can just be awesome. Secondary motivation is to ... to ...secondary motivation is that obviously we do these because we feel they’re genuinely good causes and things like that.”

Ryan is adamant that the altruistic aspect is only a secondary motivation, although reference was made to “good karma” as a third motivation. Ryan denies being a philanthropist:

“I’m not doing it just to be a philanthropist, it’s not about that. I’m doing this as a way of making my guys get to feel really good about something they’ve done. And create something that’s heart-warming and rich and, and very cool.”

He sees benefit in the charity work as part of a variety of initiatives to “make the guys feel good”. Only Ryan and Nico refer directly to any potential benefit to company morale. Nico is certain that a major reason The Agency does charity work is to make staff feel good about themselves. In fact he thinks this is why anyone does it:

“That’s the first reason I think people do charity work to start off with. Not because they think people need help, they want to feel good about themselves”.

This is a very clear insight into the mixed motivation to do good, and certainly stands out from the rest of the staff, who assert that helping others is the right thing to do. That said,

Nico does also feel that charity work is important for the recipient, regardless of the scale on which it is done: “I believe if you touch one person your whole life that you made a difference”.

Many participants seem surprised at the question as to why they do charity work, and respond that it is important to do good if one can. Charity is therefore regarded as the right thing to do, rather than something to do for any personal gain. The majority of participants seem convinced that their main motivation is a genuine desire to help. Herman notes: “we don’t just tackle a charity for ... to fulfil a social responsibility commitment. We do it because we are genuinely wanting to help these people”. There is a hint of alleviating guilt about the less fortunate in Belinda’s statement: “Because it makes people feel better. It makes Ryan feel better.”

It is possible that these were not well-thought through answers, and also that the participants felt that this was the answer I wanted (certainly, nobody mentioned a stance similar to Friedman’s!). There is, however, a lot of sentiment expressed about helping the less fortunate, with participants seeming to feel that they have an obligation to help if they can.

Neo talks about CHOC work done with Francois Pienaar which made him realise that if famous people can give up their time for charity, then we all should. Neo also mentions that children are a particularly sensitive issue for him, as he has a four year old and feels that it is just unfair for children to suffer. This lack of fairness appears to compel him to do something, and is his motivation for the charity work. There is a fair amount of emotion expressed when talking about the charity work. Herman remembers watching the first charity video and seeing the impact it had on everyone in the room:

“And I promise you, when we watched it the first time, we were all standing here in tears. I promise you it was so emotional, and so fitting, and it so filled a need that they ... needed and gripped people’s hearts when they saw it I mean we were standing here in tears, like okay, where’s the tissues”.

This suggests that pity may be a strong emotional lever in the charity work, along with the guilt mentioned earlier. Jade maintains that the charity work is done because of Ryan's compassion, which influences others in The Agency: "It's Ryan's soft heart that flows through us all".

Participants all agree that small companies should be involved with community upliftment, but most felt that they had to want to do it, rather than that they should be forced to do it (through legislation, for example). Jodie is an exception to this, seeming to feel that companies should give money back to the community because they make so much of it. Herman refers to small companies needing to have heart and soul, in contrast to large, impersonal corporations.

It is important to realise that most of the participants in this study are not involved with philanthropy for any conscious benefit to themselves. They are involved on an emotional level and feel that they should do the best work possible to ensure the best result for the recipient. While all participants are comfortable with the idea that the charity work is rewarding, only two respondents, Ryan and Nico, are overtly aware of the potential benefit to staff morale. Both reveal that they also believe altruism is important though, and so clearly have mixed motivations. It seems that Ryan may actually be a bit of a philanthropist at heart, but one who needs to recognise a business benefit in it. Ryan is *exactly* the kind of person I would like to demonstrate a business case for CSR to.

## **5.8. Charity work is not done for the PR**

Almost all participants insist that they would not publicise their good work, or put their "name up in lights" to make the company look better. This point of view was brought across strongly by Ryan in an initial interview, and it is likely that the rest of the staff have been influenced by his indignation on the topic of companies who do this. Although improved reputation is a potential benefit from corporate philanthropy (Stendardi Jr., 1992), staff feel strongly that this "boasting" would be "selling out". The only



circumstance under which they had once put their logo on work was when a charity had specifically requested that they include an end frame stating that they had produced the video at no charge, so potential funders were not concerned about the costs of a “big, fancy video”.

Neo seems to feel that this changed motivation would make the consequences of the work less worthy, stating: “it’s not about that. It’s about actually trying to make a difference”. Herman clearly shares this sentiment, speaking of companies who publicise their philanthropy in a disapproving tone: “we’re not the kind of company that wants to draw attention to ourselves for doing that kind of thing”. Perhaps they feel that they would no longer be making a sacrifice if they received something back for their work, or that it would not have as much integrity.

There is an implication for philanthropy implementations in small businesses in this – they should be wary of blatantly promoting the work to the public if they want to realise the maximum benefit to staff morale. However, participants in this case study seemed to be comfortable with the idea of philanthropy being employed to boost internal morale when it was suggested to them. It is important to realise that while The Agency may not get recognition from the public for their good work, staff receive feedback from their colleagues as well as from the charities, which is likely to induce a warm glow of satisfaction.

However, Ryan also noted that The Agency is not currently in need of additional business. The Agency is performing very well financially, and has the luxury of being able to allocate resources to non-profit activities. It is possible that the public relations benefits may be realised at a later stage should The Agency wish to grow their client base.

Neo does also later acknowledge that information about the charity work is on the company’s website, which it is. This may create the impression that this is a good and pro-active organisation to potential clients and employees.

## **5.9. The Charity work makes people feel good**

As mentioned, the overwhelming motivation for charity involvement among staff appears to be that they want to do something good. Respondents mention that they have the tools to improve people's lives, and so have to do it – they cannot stand by and do nothing. It seems as if they simply needed a framework in which to do this, which the Nkosi's Haven charity and those that followed provided. Jade notes that there is often a lot of excitement around charity work, and that: "everybody wants to jump on board when we're doing something."

Other comments about how the work makes people feel are around the fact that people became very emotionally involved with the work, and this comes through in many of the videos, which give me goose bumps. There seems to be a general consensus that The Agency staff love their charity work. Those that have been actively involved answered my questions a lot more thoughtfully, with one saying that even though he didn't like it at the time, it was good for him, and something he needed to do for personal growth. People seemed to feel that the charity work they'd been involved with had made them grateful for what they had. They also felt spiritually rewarded (a glow of satisfaction).

Even somewhat unenthusiastic participants like Belinda are sure that people feel good about the charity work they do, and are proud of it. James, also a support staff member so not directly involved with the charity work, is aware of the work and feels that it is beneficial to staff. James feels that not only is it rewarding, it is eye-opening for staff who may not have been previously aware of the plight of the unfortunate, especially children. Nico, who held the most negative perceptions of the company of all the research participants, agrees that the work is rewarding and that people feel good about it. He also mentions, in a short but important sentence, that the people in the company all know about the good deed, which I assume means that staff feel even better about it because their work is recognised by others. Neo talks about seeing how rewarding it is to see the

reaction (presumably from donors) on the nights that the videos are shown. He encourages staff to attend these nights.

Neo also notes that even if you don't want to initially, you do get close to the charity work. Even though Herman has not done any charity work himself, he says: "from what I've seen the guys accomplish, it's really ... they walk away from it like I've actually helped, I've actually done something". He is clearly moved by the charity work, suggesting that the good work has an effect on everyone in the environment, not just those who are actively involved.

Relatively emotionally-laden charities such as children and animals appear to be the main beneficiaries of The Agency's benevolence, with a number of participants mentioning that they have been touched by the suffering of children. As people at The Agency choose the charities they work on, this is interesting in terms of the literature on theories of motivation. Certainly, helping suffering children may be a quicker route to an egoist's glow of satisfaction than say, building houses or toilets for faceless strangers. The chosen recipients are completely dependent on the benevolence of people like those at The Agency. The children in the Yenzani charity, for example, don't simply need aid – they require saving. They are in mortal danger if sent back to the street or to abusive parents. They owe their benefactors their lives. If the staff were dealing with adolescent troublemakers or drug addicts in rehabilitation it is possible that they would experience less satisfaction, and that they may find the recipients less grateful. It would be interesting to see the effects if The Agency took on charities that people don't necessarily have as much sympathy for in the future.

There is evidence suggesting that the personal values of managers play an important role in their interpretation of social responsiveness (Sharfman, Pinkston and Sigerstad, 2000). Although staff are welcome to volunteer to work on charities of their choice, there are often no volunteers, in which case Ryan makes the decision based on which charities have made requests. His personal feelings for providing assistance for emotionally-laden charities involving the helpless and to children are likely to be a factor in these choices.

Either way, it does not seem that Ryan and his staff are selfish people. Motivations, as is generally the case, are likely to be mixed.

Herman makes an interesting observation about the nature of the work: “you can put a little more heart into it, you can put a little more of yourself into it”, suggesting why it may be so rewarding. It is possible that staff enjoy working on charities because they are in control of the project. Participants such as Nico mention that they feel micro-managed in their day-to-day jobs, so the charity work may actually empower them and develop their managerial abilities. This could perhaps be the case in any work environment where people experience management situations through pro bono work, and is probably not specific to The Agency. The fact that staff have more control may explain the passion that they put into the work, often donating their own toys and games to the charity (in the case of Juan). Ryan mentions that staff often become very involved with the charities after hours, in their personal capacities.

Gareth says he finds the charity work fulfilling because he can see how the recipients appreciate it, while Tara notes that the work feels different to work done for a client such as Standard Bank, as Standard Bank doesn't need the help, whereas the charities do. That the staff appreciate the feeling of being needed by the charities is clear.

Jodie talks about finding the work inspirational: “These tiny little kids were so happy and enthusiastic about life, even though they have been so traumatised and abused”. Ed also talks about the impact that the children at Nkosi's Haven had on him: “The thing is the kids were so happy, but it's such a sad thing, that it makes you feel that although they are stuck in the predicament that they're in, they're happy to be living”.

Jake comments that the charities can be difficult clients, and gives an example of a charity that wouldn't make themselves available for interviews, with the end result that he couldn't finish the job, even though he was working for free!

Overwhelmingly, the participants find the charity work fulfilling. They enjoy doing good. It is interesting that the young employees of The Agency reflect the work ethic of their generation according to Codrington, who refers to Generation Y, born after 1980, wanting their work to make a difference to the world (Codrington and Grant-Marshall, 2004). While no link can be made between the rewarding charity work and the overall EVP, and good levels of employee wellbeing, the evidence suggests that charity work can contribute to happiness in the workplace.

### **5.10. Participants prefer giving skills to giving money**

None of the participants were interested in donating money to charities (Jodie laughingly comments that she doesn't yet earn enough to donate any money). Ed says that it irritates him to hand out money at the robots, as he doesn't feel that it makes any difference. He sees more value in creating videos that can raise money – in fact, he comments that there is potentially more value in the videos and presentations than in a large donation from a company such as Pick 'n Pay because the videos are tools for raising money.

Neo comments that he would probably not give money to charity, but likes that fact that his skills can make a difference. The specialisation that staff at The Agency have, and the potential the PowerPoint presentations have for generating lots of money is mentioned by a few employees who seem to have thought about this before. When this is mentioned to participants who don't bring it up, they agree, and seem pleased to realise the potential their work has for raising money. This makes them sure they are making a difference greater than the cost of their time. The work done on the Yenzani Children's Home is mentioned by a few participants as an example of this. The charity wanted to raise money to extend their existing building. With the help of the video plea put together by The Agency, they have received tiles, doors, window frames and of course cash donations to achieve this. They were happy to receive an email from the woman in charge of the charity telling them this, and thanking them for their input.

This is a significant finding. Staff feel more passionate about giving of their skills than just giving money because it makes them feel that they are making an individual contribution (anyone can give money, but not everyone can create a video), and because in this case the video has the potential to continue making money. The fact that employees enjoy the freedom of managing a charity project is also relevant, as is the fact that the employees are emotionally affected by seeing the appreciation of recipients.

Companies looking to optimise employee wellbeing through philanthropy should allow employees to donate time and skills and be actively involved with the recipients. Companies could also use social work initiatives to develop employee management skills.

### **5.11. Charity work is important but not strategic**

Management assures me that the charity work is important at the company, and that they make an effort to communicate information about the projects to all staff. It also emerges from the staff interviews that charity work seems to be treated as any other job would be, and not de-prioritised for paying work. Jodie mentions that charity work is handled with the same levels of professionalism as other work, while Neo notes that freelancers would be brought in if staff were not able to meet a charity deadline. Nico agrees that charity work is taken seriously. Ed comments that even though workloads are heavy at The Agency, the charity jobs are fitted in just as a normal job would be.

Charity work is discussed in status meetings along with other work, which is how staff members not involved with it are exposed to it, although some participants show low awareness levels of exactly what work has been done.

However, there was no clear strategic reason for the commencement of the social work. Many staff members mention Juan as the one who initiated the charity work through his passion for helping people. There seems to be a general respect for Juan, who Herman

describes as being like a university philosophy lecturer, presumably referring to qualities of knowledge and wisdom. Neo says that Juan spearheaded the charity work, and now that a few charities know about The Agency they approach them for work, which keeps it going. It seems that that sometimes a month or two can go by before anybody realises that they haven't done any charity work.

The approach to charity work is definitely haphazard – it is done if a charity approaches The Agency, and if someone has a particular passion for a cause. For example, Jade mentions Kurt's interest in a wolf sanctuary as an environmental cause the company has taken up. Ryan makes a donation to a boy with bone cancer in Cape Town, possibly prompted by the boy being a similar age to his own son, whom he clearly dotes on. There is no investment in, for example, training a pool for future recruitment (as Cisco does). It is possible that the lack of awareness of long-term planning in the company is a contributing factor to The Agency's ad hoc charity selection process. Although some of the same charities are regularly supported because they approach The Agency for help, the results are not measured, as they would be if they were strategic. The only long-term initiative that was mentioned was a plan to initiate an "Adopt a Granny" programme, where staff members would consistently visit an old age home and provide entertainment.

The Agency has considerable expertise, and could probably be making a greater difference in the community if they approached the charity work in a more structured fashion. Nevertheless, participants mostly felt that even the small difference an individual could make was important, and could have an effect. As Herman notes: "It will spark, it will spark, it will snowball".

As a service organisation dealing largely in ideas, The Agency's impact on society and the environment is relatively low. This is possibly why they have not chosen a strategic approach to corporate social responsibility that focuses on results. There actually seems to be a sense amongst staff that if they measured the results of their charity work, it wouldn't be as good a deed anymore.

There is also no clear attempt to leverage the potential impact of staff morale by emphasising the work internally. Staff volunteer for the work, but are not informed of the impact of their work, which they certainly would be if the company were approaching CSR with the express motive of improving staff morale. Those that did receive feedback from the charities (Tara is an example) were enthusiastic about the amount of money raised and said that it made them feel good. This is something that management should encourage in the future.

## **5.12. Unlikely Heroes**

Charity organisations are regarded with slight distrust by some members of The Agency. Herman maintains that giving time is better than giving money, as one never really knows where donations go. Jodie expresses a similar sentiment. Likewise, Ryan tells of charities laundering cheques donated by The Agency. There is a sense that charity organisations are not accountable enough, and they are not seen as pure entities beyond reproach. Instead, participants seemed to regard themselves as unlikely champions of the underdogs, a far cry from the stereotypical image of a charity worker with their tattoos and irreverence. I felt that in a way, The Agency makes it “cool” to be caring.



## 6. Conclusion and Recommendations

My study aims to understand how the participants experienced the philanthropy. I assumed that it might make them feel good, which would suggest a business case for the philanthropic element of CSR through improved employee wellbeing and an enhanced EVP.

My investigative stance is that of an enlightened egoist – I am looking for reasons that will persuade companies interested in long-term benefit for their companies to invest in philanthropy. I am interested in doing this not because I believe companies should care to improve their competitive context, but because I believe companies should care because it is the right thing to do. I do, however, realise that the business case for enlightened egosim may prove a more persuasive argument than the moral one as I recognise that motivations tend to be mixed.

While my study was not carried out in a positivist paradigm, aiming to prove something conclusively, I feel that I did gain some valuable insights.

All employees were aware of the charity work that the company was involved with, and many could explain the work in detail. Participants felt that doing good work was important, as it was the right thing to do. They overwhelmingly felt good about it and found it rewarding. Most did not seem to consciously realise the potential benefit to staff morale, but were comfortable when it was suggested to them. The owner/manager claims to have initiated the charity work primarily because of the benefit to staff morale, but it appears that he may be more of an altruist than he cares to admit – his motivations are mixed. He does acknowledge that he has more than one motivation for involving the company in charity work, which is likely to be true of the rest of the participants as well.

Staff at The Agency appear to feel a moral duty to respond to charity situations, but this is likely to be experienced more in the personal capacity of the individuals than as a

corporation acknowledging its accountability to stakeholders (French, 1979), so there is no true corporate citizenship involved in this case.

Staff claimed to enjoy the work more than their usual work for paying clients, possibly because they were making a difference, and possibly also because they had more control over those projects. Feedback from the charities and peers seems to be important, but there is no real public recognition for work done. There is a strong sentiment that the good work is not being done for PR reasons.

The Agency puts considerable effort into keeping staff happy and entertained. This is a deliberate strategy which management feels is necessitated by the demands of the job. Participants agree that the heavy workload is made bearable by the fun environment in which they work. They thoroughly enjoy the culture of fun and irreverence at The Agency, and feel that they are part of an elite club. It can be concluded that staff at The Agency are satisfied relative to the past, and that the company is offering an EVP including culture and training where it may lack in financial remuneration.

The charity work is to some extent part of management's strategy for a better environment. However, it seems reasonable to conclude that the reason The Agency does charity work is in fact also "Ryan's soft heart", as he wants to share both social benefit with recipients and the fulfilment that comes from being involved in charity work with his staff. There is a lack of strategic planning behind the philanthropy, and results are not measured. This means that the activity is neither the enlightened egoism favoured by Michael Porter focusing on sustainability of competitive context (Porter, 2002), nor is it really an example of a company deliberately trying to engage staff by leveraging their emotions.

The multiple initiatives in the strategy make it difficult to establish which one has made the most significant contribution towards the good staff morale, and charity work cannot be separated from, say, the "Syphilis" events, or the segways in the parking lot. However, while the case study fails to clearly confirm the research assumption that corporate

philanthropy has an impact on staff morale (rather than any of the other initiatives), the discussions with staff have revealed that they find significant value in doing charity work, which is relevant. The study also indicated a way in which corporate philanthropy could be implemented to achieve the most benefit in terms of staff wellbeing: by letting staff provide work rather than money, and letting them manage the projects.

As mentioned previously, The Agency specialise in video and presentation production. These visual aids are then generally used by the recipients to raise further funds, meaning that the donation is ultimately worth considerably more than R30 000. The unique skills possessed by staff at The Agency means that nobody else was able to offer what they could, and this seems to have led to a sense of satisfaction for the staff. It is strongly recommended that small companies considering social upliftment work choose an avenue which allows staff to use their specific skills. This makes the work meaningful in a way that building houses cannot do, as anyone can build houses. It is clear that simply donating money could not possibly have the same effect on staff, as it does not have the personal impact or cause the repercussions of staff sharing their experiences that involvement does. Feedback from the charities should also be encouraged, as this enhances the feeling of satisfaction at having made a difference.

A number of participants mentioned that they put more into the charity projects than they did into their normal work. This is probably because they were granted more autonomy with these initiatives. This suggests potential for using philanthropy as a learning ground for staff to develop management skills. They are also likely to develop inter-personal skills, as they are responsible for dealing with the charity organisations. There are therefore two areas in which it appears that any positive impact on staff from corporate philanthropy could be maximized.

The ability to adjust a moral argument to suit a business-focused audience is an important tool in persuading companies to embrace CSR (Conner, 2007). In fact, research shows that people tend to use economic language to convince people of their personal beliefs, as they believe it will be more influential (Sonenshein, 2006). While I personally believe

that philanthropy is the right thing to do, evidence presented in this case study could contribute towards a business case for corporate philanthropy, which can be expressed in business language:

Given that there appears to be some benefit gained from the charity work, although it cannot be linked to overall morale and wellbeing, it seems that corporate philanthropy could have a positive impact on the human factor of production inputs, and so improve competitive context. Allowing staff members to engage using their skills, and providing them with autonomy, may allow for even greater benefit.

## **7. Appendices:**

### **7.1. Questionnaire Used as a Guide for Interviews**

#### **CHARITY WORK:**

How much do you donate to charity each month?

How long has it been going on?

What charities are regularly supported?

What charities have been supported in the past few months?

Is it a big part of The Agency?

Is a different staff member in charge of it each month?

How many people work on a charity each month?

How important do you think it is to let the staff know what's going on with the charities?

Are they kept informed? Should they be?

Is there anyone who won't work on a charity ever?

Why do you think The Agency does charity work? Second reason why?

Have you personally been involved with any charity work?

What have you done?

What was your favourite charity this year? Why?

Do you enjoy the charity work?

Do you find it meaningful/rewarding? Do you think other people do?

If it wasn't fun or rewarding, would you still want to do it?

Do people volunteer or are they volunteered?

Do you publicise your charity work?

Do you think other companies should do charity work? Why?

Do you think your time is more valuable than just giving money?

How do you think you would feel if The Agency just gave money instead? How do you think the rest of the staff would feel?

Do you think that your small contribution makes a difference to the problems in South Africa? (Is it important?)

Do you think other companies should be involved in it?

Do you think that the charity work changes the way you/the staff feel about The Agency?  
Does it make them more positive?

Did you know about the charity work before you came here?

Do you give to charity in your personal capacity?

**STAFF MORALE:**

How many staff do you have now?

How skilled are most of your recruits? How much training do you have to do?

How much would you say you've personally learnt while at The Agency? (work skills acquired)

Do you trust the people here to get on with the job, or do you feel you need to check up on them all the time?

Would you say people are paid above average salaries at The Agency?

What besides money would make people want to work here?

How many people have left this year? Last year? What reasons? How many have come back and why?

How often do you require staff to work late/do you have to work late?

What do you think people here get from The Agency?

What do you look for when you hire someone?

Are you interested in qualifications?

Is it fair to say that most people at The Agency are pretty similar in terms of musical taste, dress sense, what they do for fun?

Why do you think there are so few women? Why are there so few older people? Who is the oldest? What is the average age?

Some people have described The Agency as like their “family”. Would you agree?

If someone was unhappy here, do you think they’d be comfortable talking to you about it?

What makes The Agency different from other companies you’ve worked at?

If you had to describe The Agency to someone who’d never heard of, what would you mention first?

Do you think that people at The Agency have fun? Why?

Are the people happy?

Do you think the charity work makes The Agency fun?

What was your favourite activity this year? Why?

Are people happy? Would they be without the activities? Have they always been happy?

What would change at The Agency if Ryan wasn’t here?

What motivates you in a job? If you could ask just three questions about your next job, what would they be?

Do you think the staff morale is above average at The Agency? What could you compare it with?



## **7.2. Transcripts of Interviews**

### **7.2.1. Management Team of The Agency**

#### **7.2.1.1. Ryan: Owner and Managing Director**

**Okay...so you have, you have corporate social responsibility, or corporate social philanthropy activities.**

**What are they, and how long have you been doing them?**

Okay we've been...what happened...I'm going to give you a bit of history:

We were hired by Nkosi's Haven. Uh, when Danny Glover was out here. We were hired by...because Nashua was doing a paper drive with all these print a certain amount of pages and every page they print raises a cent for them and uh, our client Magna Carta was hired and we had to make this video for them.

I quoted the video it was twenty five thousand rand or something like that and off we went to make it, this must have been about two and a half years ago.

Uh, I'm gonna actually go a bit back before that – I used to always, since we started the company, always tried to donate a little bit of money to charity, even when we were turning over tiny bits...these charities in Alberton where we used to be used to come and ask for R200 a month for kids and things like that. And we started giving to those and I kindof figured that was you know the least...and we always gave these small little donations and they were cash donations. And then the problems started, they started so the one took a cheque and tried to charge a bigger amount on it, they tried to make it bigger and then it was all fraud and they weren't a real charity...and then they started distributing our names and I used to get literally it got to the point where I had to start fielding my calls, I was literally getting called every single day by one of these charities asking for R200 for a train ride for kids or cinema tickets, or this, and it got too much and

I just said that's it. I'd rather, ja I'd rather if it was a charity that had something good that we could help with...and that was the thinking.

So then when this Nkosi's Haven came around, I was sitting in the office one night and Juan, one of our guys had gone out to make the video and came back and I watched it and I, I was, I remember saying to Juan it was a specific brief, dude, it mustn't be, it mustn't be... make you feel sorry for these kids, it must make you think fuck, I wanna help these guys, you know I want to. And he took that to heart and he did it so well, that when, when I saw the video I knew that second and Juan wasn't here he'd gone and Heather and I were watching it and I, I picked my phone up and I said there's no way I can charge you for this video it's yours you know that's our way of helping.

**And that was twenty five thousand?**

Yeah, twenty five grand, and Juan, I smsed Juan, and he smsed me back he said fuck, dude, I was praying you would say that, like when I was making it I was praying you weren't going to charge them for this. And uh, the client, it was actually quite nice, it was a lady from Magna Carta and she phoned me back she said thank you so much, you've, you've...what were the words I remember it meant so much to me at the time she said, she's had such problems with this job with people trying to help and she said to me you have re-energised kindof like, the feeling was, I'd finally given her some hope that there were like good people out there and it was so nice to be the guy that did that I mean it's such a feel good thing!

So, so that was the first time we did it, and I thought shit, that's cool. It's bizarre, it's like I gave away twenty five grand, and it was amazing how good I felt about it. It was like crazy, you know this is... and then, now, my company's always been about my guys feeling good and things like that, and I wanted them to get this feeling and I thought shit, imagine how good this is because I was always, always, always trying to find ways, and I think Johan might have mentioned it, constantly trying to find ways to make morale good, and I thought well...there is something. If I could make other guys in the company

feel as good about this as I have, you know maybe that's a good thing. So we started the idea of a staff charity. And every month I'd ask a staff member to go out there, try and find a charity that they wanted to help and they'd go out and they'd research it and they'd approach them and they'd phone them and say listen this is the deal we'd like to help you out there, we can give you, and it's been thirty grand a month basically since the word go, it used to be twenty, but it's actually thirty because the products have got a bit more expensive now but for all intents and purposes it was anything you want that we make with that cash. It could be a talk, it could be presentations, it could be coaching, it could be videos, usually, nine out of ten times it's videos or presentations.

**Okay so it's not hard currency?**

It's not hard currency, it's always been work.

**Value of work, cost of work to the company?**

Yes, because what's so important for me, because here's the thing: I'm not doing it just to be a philanthropist, it's not about that. I'm doing this as a way of making my guys get to feel really good about something they've done. And create something that's heart warming and Ryan and, and very cool. So I don't go out, so my guys get to go out there they get to research it they get to choose a charity they get to come to me and say okay this is the charity this is why we want to work with them and they come up with things, they've been pretty slack about it, so more often than not I've been finding the charities and getting the guys to work with it. But they become very very involved and they really you know they handle everything, they go out and film you know they so the other thing was, I've even had the people like Julian, he can't make video, he did the Animals in Distress, but he went out there and like a video guy helped him with it and he was part of every job and he got written up in a magazine and they, they were just so stoked about it and then...the idea is to make them feel really special, and the client obviously benefits as well.

**Now that's really interesting to me – so that's your motivation? It's not so much; well your primary motivation is to make people in the company happy?**

Primary motivation is to let them feel that sense of wow, helping someone can just be awesome.

Secondary motivation is to... to...secondary motivation is that obviously we do these because we feel they're genuinely good causes and things like that.

Oh, another thing for me as well is that it's about lost causes. We end up doing a lot for the big ones, but I sometimes feel the big ones have no problem. They have no problem raising money, Nelson Mandela Children's Fund or something like that; there is no problem with money. But Heartbeats, they have, they struggle, they beg for every cent.

**Sorry, who is this?**

Heartbeats, it's one we helped with, Yenzani, we're doing a second video for them now, they approached me today. They beg, they actually, Jade sends out a mail, now I knew this lady by coincidence, total utter coincidence, I knew her when I was at (inaudible) it was like bizarre, bizarre coincidence and my first job was working for her and her husband at Panasonic. And then we approached this company to do charity and it turns out she arrives to sit in the office one day. And um, look we're doing a second video for them, and but literally this is a woman who was Ryan, decided to help kids and a place of safety, and she quit her job, sold her share in the company, and she spends her life asking, organising fundraising events and I just figured you know they, why, they need our help more than the Nelson Mandelas, and the second reason was that.

**It's a tough job hey...**

Yeah, I can imagine, it must be, because you feel like a bit of a beggar.

**You do, I did that for a while, for Amnesty International.**

I'm sure. And Amnesty's you know, you've got a name and a brand behind you, so...

**But there are so many politics.**

Really? Yeah because some people wouldn't agree with it. And then the third reason is because I'm a bit of a hippy, well I'm not a hippy, but um somewhere inside me there must be a bit of hippy that believes there's good karma there. We have a rule, we never brand any of our, we never put up anything that says sponsored by The Agency, we don't put a logo anywhere, we don't put any kind of thing anywhere to do with that. We may have to start doing something, just simply so we can put down a percentage of the work for BEE ratings and now it actually counts, community development and things like that, help us with points but we never ever, we don't do it, I never want people to think that we're doing it for advertising so we refuse to put a logo anywhere. One video, I think it was actually Yenzani, they asked us please could we do it, because they needed clients to know, that they didn't spend money on this, because there's such a performance about how people appropriate funds, so the one time we were asked to, but generally we insist that we do not put our logos anywhere, purely purely purely it's got to be for the right reasons.

**Now that's interesting to me as well, because a lot of companies find huge benefit in that, in the PR angle, I mean that's the number one reason people are doing it.**

Yeah but that's why I wanted to change it, I wanted to make sure that never became the guiding force for us, so I removed that from the equation.

**No PR angle. What about networking, do you find um, that working for charities you meet the right people?**

No, no, never have, I'd love to say, you know it would have been nice but I've never had a single benefit from anybody else, sad as it may sound for your article. Nothing, the people they talk to are just not in the mindset for that kind of thing at the time.

**Maybe it's the bigger ones, I mean, you know, all you have to do is know who's on the board of CHOC and you're set.**

We've done so much for CHOC.

**And you're not finding that you're getting business through them?**

No but we don't, that's not the way we push for it. We did, for CHOC we did a, we've done two videos of CHOC and we did the Cow Parade. They gave me that big cow, and they gave us plaques and they said thank you at the gig, and they were very very cool and they were really lekker and we'll help them again. But um, (inaudible) she was actually a long time client but uh, no; it's not been about that. You know what the thing is, it might, I'm sure if somebody said to them who did this video for you it's really nice, but at that time that conversation they're not...they're tryna sell them and that's cool. And maybe, maybe if we put a The Agency Productions, Proudly Sponsored by The Agency at the end of it, it would work and I'm sure they'd run it, but then I kindof feel that we've taken this whole kind message and then commercialised it and I'm just not into that.

**So you wouldn't do it?**

No. At the moment we're not struggling for work, that I feel the need to do it, so it's not a problem.

**Okay. Well let's talk about that primary reason,**

Staff motivation.

**Yes. Do you see any evidence of that, had it helped? Has it improved staff morale or motivation?**

When you, when you do, I believe in, I do so many little things that we do like you know last week Christiaan organised the spit we had we call it Syphilis the two thousand rand a week thing...

**What?**

We call it syphilis, because one person passes it on. We tried to find a name for it one day...

**Okay, right! (laughs)**

But basically every two weeks somebody has money to spend on the company making morale good. Today we did a mosh pit because everyone was feeling a bit dull so we started off the morning with a mosh and a dance, I bought everyone breakfast yesterday we're always trying to do little things so it's hard to pinpoint any one single thing that adds to...that makes the morale of the company better.

I couldn't say the staff charity projects specifically makes the morale higher, but I do definitely believe that the guys feel, and you know where you can see it, you ask for evidence of it, you can see it in the effort and care that they put into it. You know, the fact that they take so much pride in the staff charity work that they're doing. They almost become like in their hearts like patrons of that and once you see that, that's huge, that's big, and maybe it doesn't last forever, but the thank you mails you get from the clients, it's the, you know all those kind of things.

**Um, I know at some of the bigger agencies, we did a lot of *pro bono* work for clients and creatives loved it because they could be more creative, they could really push the boundaries. Is that applicable to your work at all?**

No, because, presentations...I would never push the boundaries. Well, it depends. Again, we're a presentation company, and there are certain laws, the laws that abide to corporates are the laws that abide to presentation. I would suggest that we probably push

the boundaries a little in everything we do, we're that kind of presentation company. But generally speaking, we really try get the best for that client. So once, the moment, the second, in fact I would argue with the creative, I would want to go up and bitch slap him and say why it is good enough for a free client, if it's not good enough for your paying clients it shouldn't be good enough for your free clients! It's very important for me that the guys, from the moment we've agreed to do it, we never think of it as anything other than a paying client. It appears on, it doesn't have a different area in status, it comes up in the status meeting as a paid job, it never, nothing about it, no one can ever say, and I get anal about this so if anyone ever turns around and says oh but it's a free job so I'll stop doing it and start doing something else, it gets treated like a paid job.

### **But people do know it's a free job?**

Clients, the staff does yeah. And here's the thing, my argument on this, on anytime anyone says anything like it's a free job, the moment they say well don't pay me for that week while I'm working on it, it's a free job. But for all intents and purposes they are still getting paid to be here and to work!

So Juan, when he did Nkosi's Haven, he went home that afternoon and he got all his toys and he asked for time off that next day and he went and took all his toys back and he donated them to the kids. So he also gave, of himself, and I promise you the day when he made that video, he said to me he was nearly in tears. Juan did a job, it was not a charity job it was an actual job for a chicken broiler, they broil chickens, Juan was trying to break back in to free the little chickens, he said he could get them, he said...

### **How did that work out?**

No it didn't work out so well, because what happens, when a chicken has a slight defect, they just throw them in this big area, like oh this chicken's not good enough. And for quality control Juan has to film this for quality control, and say you know this chicken has a chip on his beak, reject, in this big tin, and it'll be destroyed later, and you don't call them chicks you call them broilers, this broiler has a chip, this broiler will be



destroyed at a later stage, you had to speak about it like a commodity. Juan is sitting there and he's thinking fuck, I've got to save these chickens, they're gonna die, they're gonna die, I've got to save them. But he couldn't, and he said he was driving away, and he could just hear them saying Juan! Save me! Save me!

(both laugh)

And it was like, but I mean this is the kind of guy, so when he filmed CHOC, Nkosi's Haven, he came back and he was like he took all his toys and yeah, they become part of it. The guys like, Yenzani and all that, they all sit on the newsletters, and the guys really feel part of the charity they've helped. You'll see, that's what I particularly like. You'll see, once you have a charity, when they mail back they always mail: to Ryan and Julian, thanks so much, to Ryan and Kgabo, thank you so much for everything, to Ryan and... that guy becomes, as far as the client is concerned, that guy gave him. And they feel like that as well.

**That's great. But you are still paying them?**

The only time I... but it's not about that, the only time it's about that is when they try to push it off because they've got to do a Liberty job or something and they use it as an excuse.

**Yeah. Do you recruit people with a specific mindset when you hire at The Agency?**

At The Agency? That's all we recruit for. I've hired guys with no experience, nothing. Half of my staff come from surf shops, CD shops and waiters and restaurants and guys who sold me kit bags and people I like to speak to and... Just about every single person is because I liked something about them. You can teach skills. And here's the thing as well, we have a presentation company. I truly can say we're one of the few uncommoditised businesses in this country. Nobody wants to do specialised presentation; there is not a single company that does what we do so I can't poach from people. So I have to bring

people in here and train them anyway. And to train a strategist is a year, a year and a half to get them up to speed, Julian and Andrew, Julian was a year and a half before he got right, Andrew I mean he's been here a year and three months and he's just starting to run full big jobs and stuff...so it's patience. But if you find the right person it'll be cool. And you know they're worth it.

**Have you ever found anyone that thinks they're too good, or doesn't want to do charity work?**

No, No-one's ever said no the charity work. Sometimes the guys might be a bit stressed, if they've got twenty deadlines, and then they get a charity job it's like oh. But generally speaking we try...the odd thing is that sometimes we get charity clients, we might say to them, for example San asked me for this video for Yenzani today I said to her look, because we're doing three charity projects this month, so that's like ninety grand, that's big for us, that's like almost 10% of my turnover, you know.

**So is that unusual, would you generally only do one?**

Yeah, but you know we never say no. So you know we'll do them all at some stage. But I say to this one I say San, it's really cool but we've just got a bit of a time constraint, could I start it for you in May. And she says of course, no problem. So that is the only thing where it may come in, is I may have to say to guys, you know I'd never say to a client could we do it in May, but I could say it to them. I can't get the staff on this right now, we can help you but we can help you later on.

**Fair enough. And how many people work here?**

It's usually around twentish, I'm not sure exactly what it is at the moment, probably eighteen or nineteen or twenty.

**And how many of those would be involved?**

Everyone would have a turn to be involved.

**Everyone - seniors, juniors?**

Oh definitely, especially juniors, on that level it's a great way of training people as well, because you give them a job where they can really sink their teeth into.

**Absolutely. What would make your company different to others, besides that you have no direct competitors?**

(laughs) Everything about our company. What I believe we do particularly well, but it's definitely not the only thing, is we look at everything that is absolutely mundane and accepted and we work out how we could change that.

So, I don't have a receptionist, I have a concierge. I don't have a reception area, we got toilet seats. Clients get collected in the stretch limousine. I have three variations of a business card, that, so we've taken a thing like a business card, which is, business cards in this country, and I say this country simply because Japan is the only other country where business cards are a conversation point. Business cards in most of the world are a generic; they're contact details on a piece of paper that you hand over in a meeting. And you can't get conversations out of a business card. Now you need people to start quoting these things - if you hire me to make a video, you expect the video to be worthy of conversation. Because that's why you've hired us. So it's actually quite hard to exceed the expectation. But let's say you come and then you get, say one of our cards say this one here. At the moment we've got three samples, three different variations, we had five in the last one. You can see in the business card we have no fixed corporate identity, we do not have a logo. We have a lot of brand, but we have no fixed C.I. I'll explain to you the thing about that as well. Each card has a slightly different payoff line, this is like a modest little company... (inaudible) this one is in Russian and it says your presentation is as good looking as the person who gave you this card. This one says are your presentations putting people to sleep? Hire us because we're insomnia merchants. At the

back this one says Blah blah blah blah damn commies (inaudible) and where's my gun, in Russian again. This one has Eugene Terreblanche... (inaudible) this one is probably the most popular one, people like this one the best. (Laughs) Camilla and Charles, dude, you can't say fuck on a business card. And I think what is kindof more amusing about this one, it's conceivable that Camilla and Charles have said fuck at some stage of their life. It is *absolutely inconceivable* that Charles ever called somebody dude. And I think anyway, but that fact is, so business cards now become collector's items and people will often say to us oh, can I have all three or something like that. So what happens is your business card becomes a conversation point.

And if I can take mundane things that exist in your company, things that, like again Herman becomes a talking point, your concierge, the offices itself, most people's offices have desks and chairs, that becomes a talking point, my desk is a bed, it becomes a talking point. My mission, and everybody in the company knows this, our goal, and everybody who comes to our office for a meeting, they must, must, must, we not only have to be spoken about back at their office, they must go back and talk about us. I mean that's not even entry level yet. Entry level and the goal for all of our guys is we must transcend business. If you came here for a meeting, I would like you to go home, and you went back to your company and you chatted about me there, I would hope that you'd go home and say to Christiaan, I met this company today, you've got to meet these guys, they're cool.

**That is kindof how I found out about you.**

But that's what's got to happen, we've got to defy that, and we get a lot of business from that. I mean people talk about us 'ah, you've got to hire these guys they're like *crazy*, let me tell you about them. It's like you know when clients leave they get a doggy bag with sweeties and stuff.

**Thank you, that's basically all I wanted to ask you.**

Sorry, I know the charity thing doesn't really make sense.

**You see personally I think it's important in South Africa, but most people don't – there's no motivation for people. So I'm interested in finding out what motivates people, what benefits companies are getting internally.**

Look, the other thing is a lot of companies go about it the wrong way, they want to see it as an arb ah let me give ten grand, and then you get nothing, giving money is not really doing any good.

**No, handing out cash doesn't help, people have been handing out cash for decades, it's done nothing!**

Yea exactly, whereas when you can look at a specific company like what you do. I mean you've got to think, there's not many companies that do stuff that couldn't do something to help a charity, so you've just got to find out what do we do, like you guys, you could give money for example, or you could...

(Interrupted)

**So what is your view on sustainability? Do you work with the same companies a lot?**

Uh, we... not by preference. You mean in business?

**No, these charities.**

Well they end up coming back to you and asking, these people in charities have generally, they're not scared to ask you when they need your help. We support Yenzani quite a lot and we'll end up doing, you know, with a few companies, more and more things but if they ask us we don't say no, so we end up doing quite a bit.

**And do you think that your work, I mean you've said that you think it has a benefit inside your company – do you think your work makes a significant difference to people – to the recipients of the charity work?**

I really believe it does, because...one of the problems with charities, one of the problems that they have when they go to big companies is perceptions, and they come across as...it's all well and good that you're you know, the mother, the kid had a clubfoot, and so some mother on a crusade, and that's how the charity started as many, many medical aid charities kick off. And that's all well and good but how do you sound like, when you go to a big company and you're trying to get a change in a medical aid, you've got to sound more professional than that. So we try to create a product that they can run, so the perception, the mindset shift in the organisation when they run it is okay, these guys aren't a fly by night, small company asking for some money, or trying to change something because she wants something for her kid...this is an established company with a good patron, and a good thing behind it, and I mean I believe in that sense, when they run, for example, so Yenzani, my wife's company was looking to help a charity, they wanted to do one, and they were interested in Yenzani, I would like to think you know when they were choosing the five charities, one of the reasons was maybe because they were recommended by us, but I'd like to think part of the reason was they came across professional, they watched the video, you know it hit the right tone, you got the right feeling you know when you watched it, because we try to make people feel, that's the other thing is we try and never make people feel sorry for the kids, we make people feel that they want to help. And if we get that tone right – okay, that's good, I want to help these guys...and if we can get that right of course then it makes the difference for the charities for the funding they get.

**It's quite a subtle thing, you kindof make it so it looks...**

Yeah we make a presentation for them to make them look good in front of corporates. For golf days and things like that, you know quite often after a golf day we show this to say look this is why you're playing golf, this is what this organisation's about. So these

**It's like a tax haven to an extent for them but yeah, there's no point.**

Yeah but like what happened there would be far better, in your name, you know, dear Lisa, thank you so much for my school bag blah blah love Marinda.

**Awesome, awesome, that really works. Makes you want to go and buy more stuff!**

Yeah.

**Thank you.**

You're very welcome.

**How's your gender equity?**

Better now – you use big words that we don't bother with...

**How many girls?**

Yeah, my most senior member of staff is a girl, Jade, the girl that was here now. Uh. Then there's Tara, Carmen, Belinda, Mischa and Anele.

**And how's your turnover?**

Staff turnover? Pretty big. It wasn't so big forever, but it's been pretty big lately, it's very odd, like a year ago....we had every member of staff stayed, for their whole like for the first five years. Two guys left, but came back. Everybody was the same. We added some people, like one or two would come and go, but as a rule you know it was like we all built this company together. But then it reached a point where the work was starting to get dull, we weren't reinventing, they guys had got...we're a certain company, so as a video editor there's only so far that you can go in a presentation company because we have a

very specific emphasis on video, and the one broke away started a company and we used them a lot and, um, we literally last year got to the point where by the end it was actually about half way mark I realised you know we've basically turned over all but three staff members. This company, these people are new, in a year, there were like four. Tara, Julian and Herman. Are the ones that have...that are from the old way. And then there was the birth of a new company. Last year I actually wanted to close the business I'd had enough, it was...and then I decided fuck it. I bought out my partner, and built up the business I wanted to run, and now I'm loving it again.

**Oh good. Can I come to your next charity thing?**

Well we're doing a few things at the moment, we've got Given (?) Organisation, we've got Kaelo...can't remember what the third one is...one other. Now when this Yenzani one starts in May, maybe that'd be a nice one, oh sorry, and MaAfrica Tikkun. Now they're, the project was actually, it's a...that was an interesting one. They're a really big well-funded organisation, and uh, they said to us but we are an NGO and what can we do and...so basically the quote came to a hundred and fifty and we came in at a hundred and fourteen. And so they got literally thirty grand off purely, what a normal charity would get for free, they got, just discount, and I gave them thirty grand worth of updates. So they've essentially got you know, a come back part as well. That was a different way of doing it, but then again sometimes, that's the thing we are a small business, and we need every cent.

**That's something that keeps coming up. One last thing – you say you don't leverage what you're doing with PR. Do your clients know?**

Hardly. The only thing is there's this one tag on our website that says staff charities. The only reason our clients know is that, I mean we don't really write too much about it, we probably should, I probably will start doing it some more, but just on the side and things like that. And maybe get the guys to write a piece about what their experiences were when they did it and things like that. The only reason some clients know is because we let



people know look, if you ever need anything. And there have been times when I've gone for a job, a paying job, and said well this actually falls under our bit, you know you can just, we won't charge you for it. That's quite cool and it gives our clients...oh, one thing that really pissed me off though, in the Nashua one in the first place, is that, this is a mistake I learnt. We were hired, so we were originally going to be hired by Nashua, they hired Magna Carta and Magna Carta hired us and one thing I wish I'd done on that job – I wish I'd taken twenty five grand from that job, and donated it to Nkosi's Haven again, because I believe the only people we saved money to, in retrospect, was Nashua. I don't think they took the money they were going to give us, and gave it back to the charity. So, in retrospect I think that Nashua got a twenty five grand discount on a video and not the charity.

**If we were to fall on financial tough times and your company was kindof against the wall, would you drop the charity work?**

Uh probably... actually not, in quiet months, ironically is the times when it's easier for us to do it. Because it's product based, and I have employees sitting here, so imagine how low your morale would be if you're sitting doing nothing and everyone's thinking oh my God there's no work coming in, where are we going to get money from? Whereas if we're in a time when we're not so busy we can go out there...March every year is our quietest time. So it's no coincidence that we have over a hundred grands worth of charity work on the go at the moment.

**Why's March your quietest time?**

Just seems to be. Last year we did, so you know like November, December those kindof are, those months we average around eight hundred a million rand a month, March, sheez, three four hundred thousand? It's crazy. This month, I think we did around six hundred, this year. But, we take a knock, I have no idea why, we have a big rush January February and then I think it's a bit down, and then April it always kicks off again. No idea, stop trying to think.

**Thank you Ryan, thanks for your time.**

You're very welcome, it was a pleasure.

(chat, irrelevant)

### **7.2.1.2. Jade: General Manager**

**I'm going to put it right near you – don't let it put off. State your name for the record?**

Jade (surname).

**How much do you at The Agency donate to charity each month?**

It's not really a set amount 'cause...for Ryan it's like very important – he likes to give to charities that aren't like, like he wouldn't give to the Nelson Mandela Children's Home or something like that, we give to the smaller charities that nobody knows about, that actually need the – not like more help – but we just, we like to give to the smaller guys. So...it's not like we go out and look for charity work every month, but there's no a cap really on what we do. Like if we have three or four guys come to us – like we do a lot of stuff with CHOC – we do some stuff with – what's it called...

**Like Heartbeat.**

Heartbeat as well, but there's another that we just did recently with Jodes and Gareth – oh man what are they called...

**Yenzani?**

Yenzani, right, we also did something for Steps – it's clubfoot...so ja, it's basically – what it is, is we really like to help people that nobody kind of knows about the charities, like clubfoot is like a very not known problem or disease out there, and the fact that it can be rectified, so basically this mom came – her little boy was born with clubfoot – she went through all the fighting and having to deal with all the like...what we have here and what we don't and all the trying to and get it fixed and all the problems...and going

through all the trials of all the different types of procedures and all that stuff, so basically we helped her put together a video that showcased all of that – so now she can go and raise money for this clubfoot association that she’s trying to get going to help other kids.

**Now that’s interesting, because other people mentioned that kind of thing as well – that you make a video...so instead of being a just once off thing that video makes money again and again?**

Oh yes, no, no, no 99% of the time that’s what we do for them, if they want a disposable video – like for example we did some stuff for CHOC for the Cow Parade and that was a more disposable thing because it was at an auction where they did the, um, they sold off all the – basically all the corporates came and they basically auctioned off the cows, I’m sure you’ve seen them, they sit around.

So we did a whole bunch of like graphics and video and stuff for that actual event but a lot of our stuff is for, to empower the charity to go corporates and give them a reason – that’s why we never put our name on these either because then they know – they didn’t pay us to do it – like they can – we don’t say done by The Agency or anything – like if they want to chat to us, like we’re more than happy to do that but we never want the people to think, like, they came – like we don’t want them to think that they’ve got money for this big fancy video but now they’re asking us for money – so that’s also something that we kind of don’t do.

**A lot of people have mentioned that you – that you don’t put your name on the video?**

Mm-mmm. Because it’s not about...it’s not about...I think Ryan’s very – it’s not about ooh ooh look what we do for everyone – we want to just do it because we enjoy doing it.

**But you tell your clients?**

Ja our clients know about it, obviously.

**Do the staff know?**

Well it's on our website – we also do staff charities.

**That's right...**

So, I mean we do try and update what we do and the stories that we have to tell but we don't...we're not trying to make money off charity – so we don't want the charities to go and show these videos to all the corporates they expect money from, and then we're like punting ourselves – ooh ooh look The Agency do the videos, come and get other videos done by us...we don't want to make money off the charity we do it because we want to help them.

**That – a lot of people said that – it's like a principle, you won't do that?**

Ja.

**And how important do you think it is to let the staff know what is going on with the charities – do you tell people?**

The staff know what is going on in every job whether it's charities or not – there's a status that happens every single day and basically when a charity job comes in, we tell the guys a bit about the job and they actually volunteer to do the jobs.

**Great – that was my next question.**

Also – it's totally, totally as well like an open field to them for example Kurt – one of our guys – his passion is wolves and huskies and stuff like that, so he actually went to – he approached the wolf sanctuary – he wanted to do like a whole bunch of stuff for them. We were more than happy to do that but then they actually and lost a whole bunch of

money and we couldn't actually help them with it, and it fell through – but we are happy to – if any of the guys have a passion that they want to do...like will jump on board like it's not only about charities coming to us or long standing charities that we help – it's anybody who wants to help anybody.

**That's great. So the staff can – any charity that they want to do that they enjoy they could do?**

Ja.

**They must be enjoying it?**

Ja I mean – I think it is different for different people – like some of the – like, some people really, really struggle with having to work with say kids with cancer because they're just...it's a bit – it hit's home and it's a bit very emotional for them and other people really enjoy like looking after the elderly. We're trying to start a campaign where we basically for lack of a better word – we want the guys to like to be able to adopt a granny – you know go to like an old age home and – but it needs to be semi-sustainable because you can't just go there once and never go back. So it was almost, and because we can't really go every week or every month it was going to be like two or three trips a year, and we actually put on a whole little play for them or do something, you know, but like again – some people don't like dealing with, or feel uncomfortable dealing with ~ so it's all about their comfort zones. We will not force anyone to do a charity that they don't feel comfortable with.

**Great.**

Ja. But they all love it. I mean they...the Yenzani stuff that Jodie and Gareth did – I mean you can see by... also from the footage that they shoot – I mean the emotion comes through, what they are shooting. I mean, the way they watch the kids and the way they

interact with them – I mean...they do love it and I think when they come back and they see a video that's finished I think they do get quite excited about it.

**I think everyone gets excited.**

Ja. And I mean we also approached Coke to...because these kids – they are like soccer...like...mad and all that type of stuff – so Coke we chatted to Michelle one of our clients Michelle who – I was telling her about the charity and they got absolutely nothing out of it but she said to me 'you know we have sporties left from a thing that we did – like the little hats and soccer balls and coke' and literally one day they came and just dropped it off at us. We took it to Yenzani, like twelve cases of Coke and hats and cola bling – and like every body wants to jump aboard when we are doing something. And like Coke have nothing attached to that – she purely did it because these kids would love it.

**They got the stuff, ja.**

And all we did for them was we took some photos of them and we mailed it to Coke with them like drinking their Cokes and stuff – they were all so stoked you know!

**So in your opinion, what is the number one reason The Agency does charity work?**

The number one reason...

**Why do you do it because you are not doing it for publicity – why do you do it – you seem like...you're talking about sustainability – everyone seems to have given it quite a lot of thought but no one can really tell me why you are doing it.**

I think 'cause we can – like I think it's Ryan likes to help people that he can – if he can – I think it's in his nature whether they're suffering or not, like even guys in the company – it's in Ryan's nature to help people. He's a – I mean he can be tough and hard but he's a

huge softie, and I think that's why he likes to help people who – like maybe can't help themselves and like empower them to help themselves because we have the materials to help them do that. Like we have a product to empower them to go out there and do massive – I mean we give them a DVD they can go and print out *hundreds* of them if that's what they want to do and drop them in every post box in, you know, Sandton.

**So it's much more value than you just giving someone R10 000?**

Ja. We do – I mean – Conner – I don't know if you know about Conner? It's a little boy in Cape Town – he needed – I think he had cancer or something and he needed an operation very, very desperately, he had to get flown to I think the UK or America or something, and they basically did a huge thing, they had a billboard and they said 'Help save Conner' or something like that and Ryan saw this in Cape Town, the next day we did a little – 'cause they had a website – whatever – we put together a – actually everybody drew themselves like in crayon and then they had a picture of their faces and we were all holding hands – we said – it was like – 'to Conner with love from the kids at The Agency' and Ryan gave him R10 000.

**Oh wow .**

So I mean – that's not the only – that was just because he saw it – that's why I'm saying – it's Ryan – I think it's Ryan's soft heart that flows through us – like he allows us – he empowers us to do it – but it's because we have the ability to. Like.

**And do you think it has an emotional impact on every one – not just Ryan?**

No, definitely – the guys that are involved in it and even the guys that aren't – I mean I don't go out there and shoot or meet the people 90% of the time but when I watch the videos you see the passion through that and the emotion and the goose bumps and all the stuff that comes with it..



**Okay now I'm going to talk to you about staff – because as I understand it you're quite operational, you're the MD?**

Yes.

**Okay – how many staff do you have now?**

Twenty-two – that's including...like from tea-lady to Ryan

**How skilled are most of your people – let me explain that – how much training do you do – do you hire people that – someone mentioned that you hired someone from the skate shop?**

We hire...Ryan's little word is 'hire for attitude, train for aptitude'.

**Okay.**

We have hired a couple of people based on skills that they already have but I would say 90% of the people that we hire at The Agency have zero skill or knowledge of what The Agency do – and what they offer – I mean like when I came to The Agency I had event knowledge, I had marketing knowledge but I didn't have like presentation knowledge or video editing. I mean I could put on a computer and go like - pc not apple! - and go programs, file, solitaire you know that kind of stuff – and now I mean you have to learn to do every thing. So I think that's what Ryan...the thing is you either fit in or you don't fit in The Agency – there is unfortunately a – it's not a clique but there is a very specific type of person like it is very much a family thing and family don't always get on but you need to be able to move forward from that. Do you know what I mean?

**I was going to get to that – let me skip the next batch – I've noticed that as well, that people seem to be quite similar even in terms of – it's mostly young male skate punk type? What's up with that?**

That's cause that's...you I think that's what that is cause that's what Ryan is. So that's how it kind of all started they all met – The Agency started with basically with people that Ryan met or with people that Ryan knew who knew people and they all kind of met at punk shows and skate shops and that's how they started and grew and grew and grew – and you kind of...like people's friends are similar to them and that's how a lot of people are hired through other people – it's word of mouth stuff. Just recently we started putting CV's on the – on like business community looking for people – we haven't hired one person from them. Because it's like – it's difficult – you have to – because we work together so much and so intensely, you have to be able to get on with those people and you have to feel like they're going to click with you, you know. I mean – I don't believe that everybody here loves each other but there needs to be a mutual respect and I think that's what we do have – we have an awesome team at the moment, like it really is cool.

#### **Where's all the women?**

Ryan's as far as, when he started the company it was him and one other female – this is the most people, most females that have been working at The Agency in The Agency history.

#### **Really?**

Ja – but I'm the...GM

#### **How many now?**

There's four of us. Five no – there's myself – Belinda, Anele, there's five of us, six of us... one of, Mischa is like part-time. Not part time but she's on contract she does our books twice a week or whatever. But I'm the first person to say I worked in an almost all female company very similar to this kind of environment and I just think it's better to

work with more guys than girls. I've even said to Ryan I don't think we should hire more girls – like it's...unless a girl comes in that's got the right thing.

**Got the right thing?**

The thing is the girls here are all one of the boys – like you have to be able to I'm sure you...

**Ja – I've seen your videos – you got to be able to snowboard and that...**

Ja, exactly – you got to...and if you sit there like 'no I can't do that thing' – but it really is – since I've started working at The Agency I've become – I mean I've never been an introvert but I'm much, much more extrovert than I used to be. I can talk to people much more openly and with knowledge. Like I definitely believe that The Agency has a training ability, like, that is out of anybody's like – what is the word I'm looking for?

**Mmm. That is interesting, because I think staff see a lot of value in that.**

It really is – I mean if you speak to people who have left The Agency who may not particularly like or get on with Ryan anymore, but they are the first to say that The Agency and Ryan taught them more than they will ever know. And we are the reason they are where they are today. I mean guys have left and come back – left and come back like four or five times.

(interrupted)

**Let me ask you about that quickly, staff turnover...**

We had an extremely...when I first started...I started in February last year – when I first started – basically what happened is Ryan had no staff turnover for between I'd say, it was six or seven years – it was like everybody that was like kind of together.

**From the beginning?**

Ja, then one guy left and everyone kind of thought – so we *can leave*, you know, they all like you know – I think everybody reached their threshold at the same time unfortunately, and it took just one guy to leave and then it just snowballed, and the problem is that they all taught each other and learnt from each other. Then they left and we hired new people, including myself, and there wasn't an overlap where these old guys could train the new guys. So the new guys came in and kind of had to sink or swim and a lot of them sank – it was...I mean it was very, very, very, very stressful time like Ryan wanted to close the company – it's the first time in history that he ever had a client upset – so it was – it was a really, really tough time. I think Ryan had a lot...did a lot of like but – I honestly believe it was just because we had that overlap just wasn't enough the guys who were leaving left too quickly before they could train out the other guys. That staff turnover...I mean we literally did a almost complete staff turnover in less than a year.

**And that was about two years ago?**

Well, last year.

**Oh, last year?**

Ja, I started in February – June/July last year we did an almost complete staff turnover again and now like we have an absolutely awesome team...but also because – I think because there is, there is a bit more maturity in with...like in the fact we've hired people who aren't just out of skate shops, you know, they might not have studied to do what we want – what we do but they have been in that environment. So like they've been...like they know to think and it's not just... you know what I mean.

**Why did those people leave?**

Leave here?

**Yes, do you know?**

Yes... I would say a lot of them left because of the level of...the amount of work that was happening, and the pressure we were under, because they weren't skilled enough to handle – I mean we did record turnover in The Agency history the month that we had the least skilled staff.

**Oh really?**

I mean we were working four o'clock in the morning like seven days a week – people like...some people just can't...or I don't think anybody can sustain that – so I think that's kind of what happened and there's some of the people stuck it through till we got kinda over the, that hill. And the rest just said you know what I'm out of here.

**But people are...I still very much get this impression that people are working late – would you say they working a lot of overtime here, compared to other companies?**

Compared to other companies maybe, but... not in the industry. Not in our industry I wouldn't say – I mean it's – we don't work...this was the first week-end that we've worked like we have – like I would say this year.

**This last week-end?**

Ja, I mean we have improved our planning, our...the way we run things like 150%. Like the guys – it's not about, we don't have time to play until – it's just do this job and then it's a fuck up and now we have to sit the night before and re-edit the video until four o'clock in the morning. Now we make the time – we sit down and plan the arse end out of the job, so that it runs smoothly start to finish. So the guys aren't working late but the reason you still see guys sitting here 90% of the time is because...it's not...we don't have

the environment where you want to leave at five o'clock – you know like it's fine to sit here like...

**Like...where would you go?**

Ja, and it's also because...like I mean we only start at quarter to nine – I mean Ryan hates traffic so he says he doesn't expect anybody else to drive in traffic.

**Oh really?**

So we start at quarter to nine so the guys, I mean most of us barring one person live within five to ten kilometers of the company.

**Fantastic.**

And also I mean like we'll have a day where Ryan will go...you know for all the late hours which the guys work – which isn't like I say – it's hardly ever – Ryan's goal, like when I, when we restarted The Agency or like after when we had the bit of the snowball, was that working late was the exception and not the norm because it was the reverse before that. And we have created that. Like I mean guys will work...maybe sometimes until about eight o'clock but it's also like – we have a structure whereby on a Monday you get briefed your jobs, and then that, after we done our status they send me their weekly production output of how they believe they can complete this deadline or this project within the time frame – I look at that, if I don't believe they can do it without – not without working week-ends or late nights, I won't let them do it – we'll bring freelancers in – we'll do whatever we have to do.

**So you control the work flow?**

The production yes,

**Right so you know exactly how much work is going on?**

I have to know every job, every timeline, every, like everything.

**Okay. Would you say people are paid above average salaries at The Agency?**

Honestly I can't say because I don't know what the average is in what we do because we have kind of have a bit of a niche market...

**True.**

But what I will say is that people grow very quickly here...in terms of...themselves and in terms of financial...what's the word...in terms of financial growth, like for example Ryan is very, very fair – firstly when it comes to...if you come to him and you say 'I want to come work at The Agency but as a video editor, I have no video editing skills but I want seven thousand a month' he's going to say to you uh, no, you'll come in as – we'll offer you an apprenticeship where you come in at three grand a month. We will then train you up and if within three months or six months or a year you feel you have moved to a different point you come and speak to me and I will give you that seven grand, if you feel that's what you are worth and that's what – I mean he honestly does that, I mean I took a huge cut in salary when I came to The Agency – I started off as a production assistant – within six months I was production manager, within eight months I was the general manager and I – my salary doubled in a year.

**So what made you want to come and work here – I mean if you took a salary cut you must have really wanted to work here?**

Yuh, well first of all I was at a company that I was absolutely bored out of my mind.

**Where were you at the time?**

I was working for a marketing company that marketed different golf resorts.

**Okay.**

And basically they head hunted me but the month that I started they got bought out and the marketing budget was put on hold. So for three months I sat playing solitaire all day and I was going insane! One of my friends knew one of the guys that worked here – she works at Design Centre and she said to me, Jade they're looking for an office manager – I mean I've done – like bookkeeping, invoicing that type of stuff, um, so like it's not what I want to do but it's better than what I'm doing now...and like I've believed if you have, if you feel something for a company get your foot in the door. Like whatever you need to do to get your foot in the door and you move up – you prove yourself as you go along. So I came for that position – Ryan – there was me and another girl – Ryan basically said, he phoned me that night he said 'good news or bad news?' And I said 'okay whatever' and he said 'well the bad news is you don't get the job good news is we making a position for you because we believe that you fit the company.'

**Okay!**

So that was kind of how I got to where I am now.

**Okay – and you started February last year, wow. Okay, last few questions, I know you have to go to gym. If someone was unhappy here do you think they would feel comfortable coming to talk to you about it?**

I do. Ryan and I have a very open door policy. I mean I can't say, I mean I don't know how everybody feels – I know at one stage we kind of had a...we had a conference this year...we were kindof told by little 'birdies' that people felt um...what's the word...that we were unapproachable in terms...of management was unapproachable. I don't know why they felt that because...like...I also think that some people can talk freely and other people feel a bit – you know – it comes down to personality. Um, but I'm very open with



the guys – so if I feel they're having a kind of a bit of a hmp with me then I'll pull them into my office and say hey what's going on, like I'll say to them what, either you're having a bad day, or you have actually got a problem so we need to discuss it.

**'Cause it is affecting everyone.**

Ja, but I would say at least 60-70% of the guys will come and sit in my office, they'll close the door and say, you know, whether they have to vent because they're grumpy with one of their peers and it's just and it's just a closed door kind of thing you know – they do that, but like I say I think it's very much a personality thing – like the guys kind of have to know that they can, and I think once people talk about – the fact that they can then other people will. But like I said we had a bit of thing where people said we were unapproachable, but I think that's 'cause we were – it was very much like management... and the rest.

**Now management is you, Ryan, Julian and Neo, is that right?**

That's what it was.

**Am I missing someone?**

No, basically what, we changed when we did the company conference – it's also 'cause – it was – it was like me and Neo and Ryan and the rest of them you know...and we like – we chatted about it a lot and we like just said you know aren't going to want to stay in that kind of company where they can't grow, and we needed to show them the potential for growth – so we did a huge thing – we sat...Ryan and I went through – we went to Cape Town because we were setting up the Cape Town branch, and we sat up till four o'clock in the morning both nights coming up with different salary bands, and like how we were going to give them the opportunities to grow and how the structures would work at the end of the month so basically now everybody, no matter whether they are like an

intern even – I mean some of our – some of the guys that started here were interns – they were, they came in for a month to see how it went and then we offered them a job.

**Ah.**

Because that's how we feel – like if – even if they don't have skills – if they got the right attitude the we're prepared to train them, whatever it takes.

**So who's management now?**

Management is basically Ryan and myself .

**Okay.**

Then there's Neo and Julian who are in a mentoring, supportive role – that's how it's supposed to be, because they do have the skills, and the guys seem to be able to go up to them and...the problem was that the guys were feeling that they were very much like being told what to do and not discussed what to do.

You know, and I do think in an environment where you are constantly doing the same stuff, you don't always want to just sit and be told this is how you're going to do it and that's it, you know like they do want to do – they need a little bit of creative licence to come up with new ideas, otherwise we end up with the problem that we are trying to work on is everything starts to look the same as if it's the way Ryan likes it – everything must look like Ryan likes it you know – but ja.

I can see where that might be a problem.

Ja. So what we decided to do now is, the guys basically come – they have to decide where they'd like to go or where they see themselves in the company in the next year, and then book an appointment with me and Ryan and we basically put times in place and they can say they want to become...like one of my guys really wants to...he's an editor at the moment, a junior editor but he's really keen in, obviously advancing his editing skills

and he wants to learn a bit of animation – so we’re sending him and Jodie on a like a very highly intensive Photoshop course to get their design background and their Photoshop skills...basically we will send anybody on whatever course they want as long as it’s loosely related to what we do, and we will pay for it as long as they get a I think it’s a ‘B’ average.

**A ‘B’ average?**

Ja, what Ryan also said though – is like obviously what he said, he’s not going to say to somebody if he honestly knows and believes that they did their utmost best, and they get a ‘C’... like he’s not going to say ‘well sorry dude – you’re going to have to pay for it.’ Ja – so I mean we’ve already booked guys in for two that start in January, um we did a full – I think it was six sessions of – we got one of the guys to actually train in the software ‘Final Cut’ which is the editing programme that we use – he came in every Saturday – I think it was they did six sessions and taught them from beginning to advanced.

**Last question. Do you think – how would you describe the staff morale – do you think people are happy, do you think they’re having fun?**

Yes.

**Definitely?**

Ja. I mean obviously we get, like I say, we’re very much a – we’re not a work – we work hard play hard company, but it’s not like there’s a time to work and a time to play we try and intermingle that like – it sounds weird but that’s why we have a smoking room with foosball table and mortal combat and silly little games around the place and segways – so when guys are working their asses off and they’ve been working for six hours flat, they can take forty minutes out of their time and mission around on the segways, go grab a bite to eat at Nando’s, have a game of foosball with whoever else is – you know it’s – we

want to – we try to create an environment where it's not like a constant pressure – because it is a...I mean you know it is a deadline driven industry, so it's very much a stressful industry – but like I mean like the videos that we do – you can just see the – I mean everybody when they see our videos say 'when do you guys work?' But the reality is that we work so hard that's why we have to do that because otherwise – I believe that our – if we didn't have the...even the offices that we have and the environment – our staff turnover would be even more than what it was.

**So you have to keep it fun?**

You have to – you have to keep people waking up in the morning – knowing how much they have to do that day and still think I want to come to work today.

**It's like an active strategy?**

There is.

**Like The Agency TV, all that stuff?**

Ed is hired – *hired* to just do that.

**To entertain everyone.**

To constantly work on The Agency TV and The Agency morale – I mean that's why we're constantly doing these funny silly...bikini...car wash for boys...

**I haven't seen that video - that one...**

Ja, no brace yourself – I thought it was going to be funny – it was fairly disturbing!

**Really? I can actually imagine.**

Ja, I mean we're constantly doing fun little things and the guys are constantly pranking each other, and I think it's – there's pros and cons to our industry – well to our environment – the pros are that, like I say it releases stress, it keeps a happy family like and we work well together and the guys can come and work hard and play hard – but it is difficult to keep that constant like...and that's why I say only certain people can make it here, because you need to understand that you can work hard and play hard, but you've got to keep it at a happy medium – you can't say 'well I've missed my deadline because I was helping Ed with The Agency TV video'.

**Okay.**

You know what I mean...or I was doing my bikini car wash so I didn't – so, I forgot to go to the meeting with the client.

**Was this in public?**

Ye-es, yes! Your husband was involved!

**Yes I believe so, I heard. Now could you ever work any where else? I mean after this could you see yourself going into...**

Not a corporate – without a doubt .

**Could you do my job – could you like, work in banking?**

No. You see I've been very lucky where...the events industry that I worked in – the actual company that I worked for, was very similar to this – a very fun and whatever it was...it was *very* backstabby – bitchy – very difficult, but also a huge learning curve for me, because it taught me how to stick up for myself cause you have all these people like, you have all these people trying to throw you...you learn very quickly to clear your stuff

with people, and that's...I mean some days I woke up and I think 'I'm only twenty-five, I don't want to deal with this anymore!' You know like you have to deal with people – it's not nice to have to live – I mean last year – or no, the beginning of this year I had to – I had to fire three people through the CCMA – well not CCMA but through labour lawyers and dealing with that type of stuff, and it's stressful – like it's very – you know like you think to yourself – oh no I don't want to do that...

**So you're twenty five, and you're a MD?**

Ja. Not MD, GM – Ryan's MD – but I do – like I say it's tough to have to reprimand people that you have fun with.

**Ja I can imagine that's difficult.**

And it's...that's why there has to be – and I've had to learn this the hard way – there has to be a – even though you have to be able to have fun and relate to the guys, they have to know that you're their boss and that's where the problems come in where they will push the line too far and it's something – it's something I am busy dealing with and having to kind of like know how to deal with someone – like when they've pushed you too far or they've...just gone that one step too much – we have to say to them uh uh. Without – without losing the relationship that you have with them without them thinking 'oh why she such a bitch now!'

**But if don't you'll lose their respect.**

Ja exactly – but I'm only twenty five! I don't want to do that.

**Okay, that...is the extent of my questions. Is there anything else that you would like to say about The Agency, and how you feel about it, how you feel about working here, how you feel about the charity work – closing comment?**

I think The Agency is itself, forget about what we actually do as a company I think what we are as a group of people is very unique. Like I say the morale that we have is like...it's a constant work but it's constantly high – and...I think we have a good group of people like that's why the charity thing works a lot for us it's because people that work here want to help others, I don't know many selfish people but I can't – I mean I'm sure everybody's got a selfish side, but there's not one person here that I don't believe will not put their hand up not to do something for somebody else. I mean, and I think that the culture that we here promotes that, because you are constantly working as a team...we have the 'Caught in the Act' system that we do, which is basically Ryan pays R5 000 a month – about – they're Northgate vouchers – they're R50 – R50 vouchers – anybody anytime can give as many as they want, within reason, to anybody they believe...

**Like in the company?**

Ja – who has gone over and above they are supposed to do – like for if for example one of my guys is really busy but one of the other guys is also busy, but he needs him to help him source an image and he does that then they voucher each other. So it's constantly helping each other all the time – no matter – so even if you are snowed under they make the time to help each other and I think that – that's...

**I haven't heard about that yet.**

Yes, It is, it's constantly like a team work thing you know and that's why the group of people now that we have is so much better it's – the ones in the turnover we had we didn't have that – a lot of the guys would be like 'dude I'm busy' or like 'I'll help you when I can' and throw a little tantrum – here the guys make time because they know tomorrow when I'm busy that person will help me.

**So it is like a family?**

It is – well we fight and we bitch at each other and stuff – it's like completely like a family! Ja exactly like that.

**Super, thank you.**

Cool!



### **7.2.1.3. Neo: Member of Management Team**

**Okay here we go – could you state your name for the record?**

My name is Neo

**I'm going to ask you about your charity work – how much do you donate to charity every month as The Agency?**

Well it's not cut and dried. Like what will sometimes happen is an organisation may have a function coming up or something and they need a video or what ever it might be for that function, and we generally do try and do something on a monthly basis, but sometimes we'll be doing two or three charity shows that month – then sometimes there may be nothing...it all depends on what the organisations might need and when. But most of the time it's...the videos would be the equivalent of one of R 25 000 to R 35 000 products.

**Okay. And who chooses those, who decides what charity it's going to be this month, or it's not going to be anything this month?**

Well I'd say it's kind of...if we feel that we haven't done anything for a month or two then Ryan will say 'hey, does anybody know about anything...' but I'd say more often than not – you know these organisations it's like people speak and it's the same way we get all our business, is by word of mouth, and so for instance like Heartbeat which we worked with on more than one occasion – they might – someone from another organisation may see their video and say 'hey who did that for you' and then they refer them to us or whatever it might be, so it's all very much word of mouth.

**So it just kind of happens – it's not that structured?**

Not really, no, it's not rigorously structured at all – there has been one or two cases when someone in the company's felt strongly about something and went to find out about whatever it was. I wasn't here but I have heard about it – and the other thing as well there are actually event management companies that – I think it's light house events – that works solely with charity organisations. I mean we did a video for Choc House and some or other street kids thing, I can't remember...in the space of a year with the same event management company.

**Okay. So my next question was what charities are regularly supported? You mentioned Choc House, Heartbeat...what are the other main ones?**

Well we've just done work for MaAfrica Tikkun– they're quite massive in that as opposed to one little area where they're concentrating they actually are nationwide – and endorsed by the Nelson Mandela and things like that...I'm just trying to think now...those are the ones I've kind of personally worked , been involved with .

**How long ago did it start – the charity work?**

The...well, I'd say the first one we did was for Choc – but I don't know exactly how that came about – but I do remember I had the opportunity to spend two days with Francois Pienaar, who is the patron, which was very cool, and in that case there was all the...it was geared towards a golf day obviously to raise funds as they do and we went to...cause it's obviously to help children with cancer – so we went to Baragwanath and Joburg Gen...it was really nice for the children to see and interact with Francois Pienaar. I was really there to film the moment and, what really came out of that was – I think it's the reason why organisations have a patron it's because they see that here's someone who is truly a great South African and if he can devote time to something like this then surely I can devote – if not time then definitely money, so you know – and it worked really well – they raised three times as much money as they were hoping to.

**Great. So here's the touchy feely question – how does that make you feel, working on the charity?**

Well you know I always think it's – everyone always says you know we should really do something and no one really does...but like for me personally...especially when you can help children. Because I've got a four year old – and to see these children that – you know that have nothing and yet – and often have some of the physical disability on top of it! It's just really not fair. So it does...it does make you feel good that you can do something.

**Do you think – I mean you're a smaller company than something like Pick & Pay and donating a million rand – do you think the little bit that you can do – is enough to make a difference?**

Well...you know I – it is tricky – that's a very tricky question. You know because the problems that South Africa has is massive – you know – we don't know how much of an impact we're actually making. But that doesn't mean that we must stop, because if we are having an impact on a few people it's better than having an impact on no people. So it's difficult to say what kind of an impact we're making.

**But it's something?**

I do believe it's something .

**Why do you think – why does The Agency do charity work – what's the number one reason?**

(long pause)

I don't know (laughs) It's just what we do.

**Okay let me, let me rephrase the question – a lot of companies are doing corporate philanthropy because there are significant PR benefits...**

No, we don't.

**That's something Ryan mentioned as well – you don't do it.**

In fact we've actually done videos and things where the event management or whoever it is, the organisation says by all means please put your logo on the end of it and we just don't. If they want to they're welcome to give us a mention – there was even an event we did which was quite a big thing with Mark Shuttleworth and the whole lot and on the tables of the event all the other people involved had their logos on the other side of the menu...and we said no we don't want it there. For us it's not about that, it's about actually trying to make a difference. It's the fact that – I mean I don't think we even tell any of our clients that that's what we do – we factor it into our job –our production timeline as any other job – it's approached as any other job. We meet deadlines, we treat it as any other job. And we have to commit to the deadlines like we would any other thing so it's like ja, like I say it's what we do it's just how things are.

**If a job comes in – an urgent screaming deadline job – and there's charity work on someone's desk – does the paying job take priority?**

(long pause) I think...part of the way we work is that nothing ever really gets de-prioritised. Workloads might get shifted...whereas if I'm working on something and Jake isn't that busy, then you know, it's kind of we see who's the best for that job at that time. And Jake may need to finish my edit so I can get on with something else or vice versa or whatever it might be. If we say something's going to be done by Friday it's done by Friday, whether people have glandular fever and are out for two weeks or whatever it might be, things have to carry on and it does – we have a pool of freelancers.

**So you would bring freelancers in to do a charity job?**

Yeah sure – I mean absolutely and we have because we say it's considered another job – it's...workflow must carry on.

**Do your staff know what is free and what is paid for?**

Well what we've done in the past is that...I mean even down to a charity job having a quote so – we have to consider things like the level of how many hours we're spending on jobs, the level of animation and things like that... we factor everything into our costing – so often a charity job will still have a costing even though the client never sees that. We use it internally as a guide to how much work we are doing on a job.

**Okay. So you say you don't tell your clients about your charity work. Do you tell your staff?**

No, no, I'm not saying – I mean...if it comes up here we're not hiding it .

**But you don't push it?**

No, we're not out there. In fact... it probably is on our web site.

**Yes it is.**

Ja. I mean it's something that we are happy to do and we're proud to do it but it's not something that we push – like you say some people feel that it's good for PR that's...no.

**Well personally I don't care why people do it – they must just do it but (laughs)– so do you think – if you communicate to your staff what you're doing – do you think they get excited about it, the charity work?**

Well, often what will happen is a job will come in and Ryan will say 'look, we've been approached by whoever and they work with orphans and vulnerable children and – um, who wants to be involved – who wants in?'

**So they volunteer?**

Ja, as opposed to...you know 'cause then – you know what people have to realise is that...they take this on in addition to the work they do – but it's not something that we're insensitive about in that we won't...you know if someone really wants to do it they still have their other work which they need to do as well...then we do try and alleviate some other work they do have to make it happen for them if they...especially if they feel very strongly about it. We had a guy called Juan, who I think probably was one of the ones who kind of spearheaded the whole thing, because it was something he was very passionate about and – where was I going – yes and he was, he like in the early days he found one or two jobs for us to do – and then like I say the kind of word of mouth thing happened and...now they find us.

**I'm sure they do. Do you think that people are passionate about it, sufficiently passionate about it to give money – do you think like if you said to staff, forget the time, give us money...like we're going to take x off your salary every month – how do you think that would go down?**

Sorry – I'm not too sure what you are asking?

**What if you said to your staff, 'we are a company that gives to charities – instead of giving of your time would you consider giving money – your personal money.' Do you think that people are passionate about it to that extent, to contribute to it personally?**

You see I don't know to be completely honest...possibly not. But at the same time I think that...we are in a very good position in that we have skills that – I mean it's a lot easier to

give money, actually, and we have certain skills in that we are able to make really, really heartfelt type videos.

**You're specialised.**

Yeh. They can...they can touch a much broader spectrum of people as opposed to, to help gear for whatever it might be as opposed to just one person giving money. So ja I don't know exactly but I think that probably to answer your question bluntly, probably not. I don't know. I don't know...I know that for like me personally – I don't really give to charity but I like the fact that through my work I can.

**Okay, I'm just going to ask you one question about staff morale. How do you think –I mean if you had to describe The Agency to someone who had never heard of it in a sentence – what are the things you would mention to describe it – what makes it stand out for you?**

I think that The Agency is probably...it's the only place I know of where you can actually just completely be yourself. There's no corporate guidelines in terms of what you wear, how you speak, you know...you come here you can be yourself, obviously you have to do your job...and you know if you do your job very well you get rewarded very well...and if you're kind of just freeloading then that's all you going to be but that's the same with anything – but the fact that you can just come in here and be yourself and people accept you for who you are and for what you are, and I think that – I mean we've got quite a lot of misfits here, but it's amazing how when you put a misfit in a place where they feel completely comfortable, how they'll excel.

**Okay, so you give people room to move?**

We give people opportunities that...you know people that haven't found their place anywhere else feel very at home here.

**Well I must say some people have described The Agency as like their family so – some of the people I’ve interviewed. In terms of staff morale do you think people are happy?**

Ja.

**Happier than other places – in your experience?**

Ja, absolutely – and you know what...like I’ve noticed quite recently now is that when we do have people come in here as interns or people that are applying for a job, and are here on some kind of probation basis...it’s almost as if though we are like this elite club that people want to be a part of. We’ve become like a Coca-Cola brand or something, that people want to be associated with, like seen as cool or whatever it might be – I don’t know, which is quite nice because when you are in, when you are part of the group you feel well taken care of. It’s almost like being back at high school – we’re the cool kids!

**But now on that, okay – you’re saying you’re the cool kids but at the same time you are saying anyone would feel comfortable here?**

Well...

**I mean would someone who’s not – who doesn’t listen to like punk rock and doesn’t have like skateboarder clothes and isn’t...**

Okay possibly...well no...actually no, because Herman...I’ll never forget because I’ve been around for quite while now – Herman came to The Agency for his interview in a three piece suit. He listens to classical music.

**He SINGS**



He sings in a *choir*. And there's a reason, he's been here now for it must be least five or six years, you know, and I'm telling you now if you had to go and speak to him now he will tell you he is very happy. So and you know he isn't the stereotype skate kid – you know – so I think maybe, maybe not.

**I do see a very distinct culture here. I mean I agree with you there is something quite...it's like a cult, it's cool. And that's the one thing that's been in the back of my mind the whole time, like there's this amazing team spirit – people are like – I've seen your videos of like the skiing, snowboarding, tobogganing, and things like that...**

Ja, ja.

**People are really into that, but I'm thinking that – what if someone wasn't like that...what if someone – what if they had a disability and they couldn't rodeo or something – or if they were older would they still fit in?**

It's difficult to say...I mean I am older. No I know what you mean like older – older...

**Like older...like FIFTY.**

Okay – no fair enough. (long pause) that's difficult to say – because I think that we do have a very young energy. Sometimes I feel a little old here.

**How old?**

Like I mean I'm nearly thirty and no, no (laughs) but seriously when I got here there were a lot of kids that were nineteen, twenty, twenty one...one thing I've kind of realised is that it's kind of like now...now I've forgotten where I was going with that... it's kind of like everybody wants to play. And people don't play enough and sometimes I actually have to stop and make myself play – you know I think that even in this environment I'm

probably one of the few who...one of the few who play the least, because I feel because of the position I'm in I do have a lot of responsibility and I need to make sure things happen and I often have to force myself to play – but when I do I feel better for it like – if you know what I mean.

**Yes – definitely.**

Ja.

**How old is the oldest person?**

Ryan.

**Is Ryan the oldest person?**

Ja – I think he's thirty three now – just on thirty three.

**Ancient – and how long have you been here?**

I started in '99...I finished studying in 98. It was my first job – I left for two years and tried freelancing for a bit and I went to work for another company – African Motion Picture company – because at the time it felt like I needed to be in something a bit more formalised and a bit more structured and then when I was gone I realised that...that wasn't what I wanted at all. Then I was very lucky in that Ryan phoned me up one day and said ' hey look we really need you back – we need you to be the creative director'... and we got a whole bunch of kids that needed to learn stuff' and it was a fantastic opportunity for me, and I've probably never been happier.

**The last question – in terms of – you say a bunch of kids, and you mentioned that you studied – how educated are most of the people or do you bring them in very young and give them a lot of training?**

We...ja – traditionally we would take people in very young and train them. We ran into a bit of a problem in that we – in that the culture became more...or stronger than the fact that we actually are a company that works and we actually had a bunch of kids come in who were here just for the fun and weren't keen to work. So the second they left and we hired more people...it's kind of worked out a bit better, and I don't think there is any coincidence that like...Jodie for instance, who studied drama and journalism or whatever at Rhodes, she's really excelling. But on the flip side of that we got Jason who's...he went overseas for a few years after high school and now he's here and he's learning very quickly as well – so we kind of have both sides. But one thing we're trying to push and we realised the huge benefit of is more structured training and mentoring – we have a lot of skills internally and at times it's just not getting transferred as quickly as it could be. The other thing as well, you know, is that if people want to learn anything – obviously loosely related to what we do – and it's reasonably priced, and it makes sense, the company will pay for it, it's not a problem. So I mean like now even Jodie and Jason they're going to be going on a...it's like a five day very intensive course on Photoshop – which is awesome for them. For me you know I studied graphic design – it's something I've known for years so I can't understand that people don't know Photoshop... it's like ja.

**Listen I also studied graphic design but after a few years – Photoshop...**

Oh really – okay sure – oh so you're a designer?

(chat about what we both studied – irrelevant)

**Thank you. Is there anything else...is there anything else you'd like to say about the company, your experiences working here – the people – the culture...**

Well, what I was just going to say was more on the charity side of things – just to go back there...is that...I think that sometimes people don't actually – you don't realise what's

wrong out there...I mean...you hear about this charity, that charity, they're all helping kids or whatever, but sometimes it's really good to get given a job like we do at The Agency – like sometimes we really ...we say 'hey, Jason, you're doing this job for this charity' and to actually go out there film it, meet these people and speak to them, and actually realise how real it is...I mean a lot of the time you see charity as an organisation that has a very colourful logo with kids on it – you don't actually realise what's going on behind that. So it's...I think that it's a nice opportunity for us – even if you don't want to you do get close to it. And it's nice – like you might not realise it at the time but it is really nice for you when you finish a job or we even encourage the guys who have worked on a job to be there on the event, on the night and just kind of see the reaction that you get for the video you have done.

**Ja – it's rewarding?**

Ja sure.

**Super, cool. Thank you very much for your time.**

## **7.2.2. Staff Interviews**

### **7.2.2.1. Herman**

**So, you say you've been here the longest?**

Yes, I've been here since December 1999.

**Wow.**

Mm hhhm. Yeah we were in the old offices on Olivien...on Atelier Street then we moved here...

**Where's that?**

Uh in, Randridge Park, in Randridge Mall area.

**Why did I think you were in the East, Alberton at one stage?**

Yes, they were, um I joined after they moved, just as they moved to the offices here in Randpark Ridge, I joined the company.

**How long have you been in these offices?**

We've been here since 2000.

**Oh ages...**

Yes, ja, it's gone through a change – initially the office walls were purple and yellow and we had a quarter pipe for skateboarding, yes.

**Oh we need that back, where was that?**

It was between Jade's and Ryan's office, yes, the kids would come and skate in the office, we would skate in the office, um well not me per se but, all the desks were down this wall here. What you see basically before you move through to Julian's office, and through to Johan's office, that was the entire – including Jade's and Ryan's office – that was the entire Agency, when we moved in here. From that wall where it says The Agency, that wall was solid, and this wall was solid. Including those two offices, and this area was The Agency. 127 square metres of it. It's different, ja.

**Okay, no plans of moving, are you still about the same size?**

Not that I'm aware of, no, well, I mean staff complement has obviously increased and so the need for office space has increased, but uh it's always been about, well it's at it's biggest right now, I mean staff complement's about 22. Um, when I joined the company it was literally seven of us, seven or eight of us.

**So who else is still...Ryan?**

Well it was myself, it was Ryan, Wayne, who's in Hibberdene, and Julian...and Neo that's left from the original staff complement. Julian's actually been here longer than me, but I'm like part of the woodwork anyway. Cos he's gone away and come back I mean so I'm the longest staying member (laughs)

**Now... my thesis is about your charity work. Well it's about, first of all your staff morale, and I notice you have very unusual kind of (laughs) – there's a lot of team spirit here! So I'm interested in your company because I see this incredible staff morale and I'm wondering if the charity work that you do has anything to do with that. In other words does it make the people feel good about working here?**

Well...put it to you this way, when we tackle a charity we don't just tackle a charity for, to fulfil a social responsibility commitment. We do it because we are genuinely wanting to help these people. Whether it be with a video that we produce for them, or a presentation we produce for them, we genuinely are out there to help them. I mean we're offering them a product, anything from 20 to 35 thousand rand in value, whether it like I said to you we're doing a video or a presentation, I mean the first one we really did was with Nkosi Johnson, that was one of the really big ones. Um, one of our editors was working at the time, it was actually Nkosi's Haven that we did, um, he, now Juan is a very very kind of deep person.

**Is Juan here?**

No, Juan is not here he's in Durban. He's an extremely grounded person, like he'll...he...to have a conversation with Juan is like sitting through a philosophy lecture, session, at varsity. But Juan took this initiative, and made this incredible video it was with um, I think Zerox or Nashua, they were sponsoring the Nkosi's Haven drive at the time. So many cents per click on their copiers would be donated to Nkosi's Haven, I can't remember the exact details, but it was something to that extent.

**Yeah Ryan mentioned that...**

And I promise you, when we watched it the first time, we were all standing here in tears.

**Really?**

Yes, and it came to the point where Ryan says to these guys look, listen here I can't even charge you for this. It's just gripped up so much, and so deeply, that there's no ways I could charge you for this. Because the initial expense was 20 thousand rand for this video. But the way it was put together, and the way it all came together, I promise you it was so emotional, and so fitting, and it so filled a need that they... needed and gripped

people's hearts when they saw it I mean we were standing here in tears, like okay, where's the tissues.

**So, how many years ago was this?**

I think it was...I think it's about 2001. It's about a year or so just before he passed away, it's just when Nkosi Johnson was becoming a... shall I say a figurehead. And we've worked with Kid's Haven, we've worked I think with Spara Village (?) as well. There's a few...let me see...

**Have you been involved in any of the work?**

I haven't worked on any of the charities, no. But from what I've seen the guys accomplish, it's really...they walk away from it like I've actually helped, I've actually done something.

**They're actually making a difference?**

I think for themselves, and their emotional state that they... because I mean they're not just doing it for doing it, they're doing it with a goal in mind, to actually, whether it's to help this charity raise funds, or make the public aware of this charity, there's a goal behind this, and um, from what I've seen these guys have walked away like ja, I think this can work.

**So they find it rewarding.**

Yes, I would definitely say there's a reward element to it. It...I wouldn't say...I mean I wouldn't go as far as to say it soothes a bit of an ego, you know what I'm saying, because I mean advertising agencies wouldn't want to generally tackle these kinds of things, because they want to be for example x in association with. You know, that kind of thing, I mean...



**You don't do that?**

No, why would we want to do that?

**So you don't publicise?**

No, why would we want to publicise our involvement, I mean we're not the kind of company that wants to draw attention to ourselves for doing that kind of thing. There's no need to. I mean we're also not the kind of company who will enter any of our work for a Loerie, blatantly. No, not at all. Ryan, and I tend to agree with this, blatantly refuses to enter into any awards. Because those ads are made for, to make the ad agency look good, not to the means to an end for the client.

**With these charities, do you see a means to an end?**

I see these charities fulfilling a gap, they fulfil a specific need that the client has come to, that the charity has come to us, or the charity that we've chosen. We will sit with them and say right, this is what we can offer you, do you see anything, do you have any needs or anything that we can do, one of our products can fulfil. A video, or a presentation for a fundraiser or anything like that. We will then make that product to suit their need I mean most of our products are shelf products, if you want to call it like that, they are for the here and now, I don't see any product that we make, even in terms of our corporate clients, having a shelf life of more than a single event. The stuff is time-specific.

(interrupted)

**Okay so you haven't actively or personally been involved in any of the charity work, but you're aware of what goes on**

I'm aware of it, yes I see when the guys work on a charities because obviously I see it in the status meetings when the guys say how far they are. And also I mean, we'll take on a charity, um, like I said to you fulfil a need for them and, like I said it's also very rewarding, I can see it in the guys when they're finished it you can see when the client's walked out here, you can see, yes, I've done it, it's good, I feel happy about it.

**Do you think they're getting more fulfilment out of that then their usual work? Is there like a different element?**

Well I mean being a charity it's a different kind of, you're got to think, you've got to keep the rationale of what you're trying to achieve in mind, but you can put a little more heart into it, you can put a little more of yourself into it. That's the kind of thing that I see. I see...especially with the one that Juan did, whenever I see that I see Juan. Because I could picture Juan sitting in front of that edit suite and literally working to get this perfect, perfect, perfect.

**Fantastic. Now I'm going to ask you a tough question. At the moment The Agency donates work, as opposed to donating money. Do you think people would donate money? If you said to The Agency staff, take x off your salaries, do you think the sentiment would extend that far?**

The thing is, I mean it would in terms of the charities we've done, I mean, what we've done has come from the staff. The time I mean yes it has a monetary value because that's the amount of hours that the staff member has spent on it, but I would perceive that as if you want to call it, his time. He is, instead of giving money, because he put his time, himself into that, and money can't do that.

**So you think the work has more benefit than just the money?**

Yes, I honestly feel, because if I think of these charities that stand on the roadside and they're taking money, I would like to know, I see these people, you don't know where that money goes.

**Mmm, that's true.**

You don't know if the money goes to...yes they have their needs, they have their water and their lights and their groceries to pay and that kind of stuff, but you don't see where that money goes. Where with this, we know where it's going. We know that it's fulfilling a specific need. That is what I see. Yes I would donate money to a charity, but I'd like to know where it was going. Like I would rather for a children's home or something like that I would rather go out and buy groceries because then I know, it's going to put food in their mouths.

**You know you're quite right, you give money to the church and you don't know where it goes, you literally don't know which association it goes to. Some kind of active involvement...**

Exactly, I mean it's all good and well it goes to charity but I would like to know where it goes. I want these charities to be accountable per say for where their money goes. Yes, because I mean like I said to you, it goes to their water, their lights, their groceries, the maintenance of their buildings, a little bit of an incentive for the staff, but I'd like accountability, I'd like to know, if I've given them 20 thousand rand or 30 thousand rand per se, where did that money go. Not for every cent, but more or less.

**What's the benefit...**

What has my giving you 30 thousand rand benefited your charity. Has it put food on the table for the kids, has it clothed the kids, has it made sure that the kennels for the cats and the dogs are clean, are tick and flea free, that kind of thing, is there food...

**You actually want to see...**

I want to see, that's what I want.

**Now, you know that it's quite unusual for a small company to be involved with corporate social responsibility. I mean I've found like literally three in Joburg. What's your take on that I mean do you feel that there's a need for small companies to be more socially responsible, in terms of the South African context?**

Yes. Because the more people start looking out for each other, the better this place will be. The more people start looking after each other, you will actually then see how this place will be. How South Africa, or any, like especially in a small company, we're not just a number, or a name on a payslip, or a name badge. I know each and every single person here by name, and it's nice. It's nice like that. And I mean, I think like I said to you, it's a good thing that small companies are actively involved in social responsibility, but not just because they have to, but because they want to. They must be willing to play an active role in their community.

**And they shouldn't do it for the PR?**

No, they should do it because they want to do it, like I said to you, and like you say, there shouldn't be like x in association with y brings you z. You know? It's not that kind of thing where you want your name up in lights. Sometimes, you know, to get your name mentioned, I mean Ryan recently donated R10 000 to a little boy's charity, he's got a form of bone cancer, and his parents needed to, they started a charity, where you could on his website you would buy a certain amount of pixels, and they would put your name on the page. But we didn't just do it for the name, we did it to save the boy's life. Where we could contribute to save the boy's life, I mean he's five and he's dying of bone cancer, okay, that is wow, and not just because our name is up somewhere, because we have given money to help save someone.

**Well from you're saying, it must definitely be making a difference to how people feel**

Absolutely, I mean, people perceive huge companies as like stone, archaic old buildings, you know that kind of thing, and no heart, no soul. That's where small companies have to come in, and say you know what, let's chip away at all this old, bureaucratic crap, and start getting people actively involved. Not just in terms of sponsorship and your name in lights and that kind of thing, but... start doing it for the heart and the soul.

**Like on the ground.**

Yes, grassroots level. Not just to for example, help the kids with their sport and stuff, which is awesome, awesome awesome awesome, but look at more, look at their environment, look at their...look, I mean, like I said to you, you get your major banks that are involved in the sponsorships of sport and stuff, but I'd say why sponsor their sport, yes they're going to sponsor sport, why not sponsor their education. What would take you further, an education or sport?

**Sure. But some of these things are really little, I mean save one child, sponsor one child's education?**

It will spark, it will spark, it will snowball. 'Cos if let's say bank x sponsors a grade one class for the whole of their primary school career, with their books and their school needs obviously excluding their school clothes because I feel parents have to have some form of accountability, sponsor their pens, pencils, books and stuff like that, textbooks, that kind of thing, for rest of their primary school lives, I mean and you can actually see...but the kids have to have a kind of accountability as well, they have to maintain a certain average.

**So it works two ways?**

It works both ways, money mustn't just flow in, and say ooh, there's a big black pit let's throw money in.

(speaks to someone else)

Can we just stop for two seconds?

#### **7.2.2.2. Belinda**

**Okay, so you're on the admin side, involved in the running of the company. You're not involved in the design and the presentation and that. Have you been involved in any of the charity work?**

No.

**Have you noticed a lot of charity work, I mean do you feel the impact of it?**

Ja, we do it every month.... we do it for a certain amount.

**And in your opinion why is The Agency doing it? What's the benefit?**

Because it makes people feel better. It makes Ryan feel better.

**Do you think it makes the people in the company feel better? Or feel good, feel better sounds a bit.....**

Ja, feel good, ja. They do enjoy doing it. I think so. When they see their videos and that sort of thing, they're proud of that.

**Do you think that it actually has a benefit to society? The work that they do, do you think it actually does help? Or do you think it would be more helpful to maybe just give money?**

No, I think it does help. One of the last charities we did was for Yenzani. They do like burns, children that are burnt and that, and instead of giving them money we did like a video for them that they could show it to all the people that they wanted to get money from. Which I think is better than just going and giving them money.

**So they used your video to raise money?**

Basically.

**So that had more benefit than going in and saying...**

Ja, they were going to build an extra part on their little building and instead of going to them and saying, to all these people saying, "Ja, we need money to build this thing" we did like a video of the plans and all of that so that the people could actually see what their money was going for.

**Okay, that's interesting. In terms of The Agency generally, I said to you just now that I think the staff...there's like definitely something going on here. I mean I heard about this company ages ago, and I heard about the limo and that. How is this company different to other companies you have worked at, in terms of the team spirit and in terms of the people?**

Everyone is just really close and friendly, and not pretentious or bitchy and things like that. You just work hard, but you also have lots of fun.

**How long do people stay? Do they generally stick around, or is there quite a high turnover?**

Um...hmmm.

**Ryan said that you had a lot of people leave, I think about a year and a half ago...**

Ja, since then, but now it's... I mean people have been here for quite a while, like a year or two. Going on for like their second year and a few people have like been away and come back again.



**Come back? That's good. Would you say generally it's a happy place?**

**It's obviously a very creative environment...**

Ja

**Do you think the company would be very different if it wasn't for Ryan?**

Yes.

**So he is quite key in the whole thing?**

Ja, he makes it fun for everyone, and he tries hard to, to make everything fun and look after us and spoils us.....

**When is the next syphilis?**

Well it should be...it's between this week and next week. So they've got two weeks to, they can either do for the one day or they can do for the two weeks, like every weeks we have one.

**And what are they, generally?**

It's whatever the person decides, like last week we went for Thai massages and lunch, a couple of weeks ago we had you know one of those Rodeo bulls, we had that, on Spring Day we got a jumping castle thing and a slide and we went and had apples and sweets, that was a lot of fun, we spent the whole day just playing volleyball and relaxing

**The whole day? Are these things the whole day?**

No, sometimes it's whole day, like that was the whole day because it was spring day but usually it's a couple of hours

**Yeah, because you seem to be quite busy here, a whole day would seem a bit much.**

Ja.

**And how do think that contributes? Do you think it really makes a difference? Do you think that that fun day carries over into the work?**

Yeah, it does, people look forward to doing it, and it's like a little break from the stress.

**And do you think people really get on? Do people socialise after hours?**

Um, almost every Friday we go downstairs and have a drink or two and play pool. If it's birthdays and stuff like that, usually the whole office gets invited, um, ja, we do socialise outside of work.

**So, that one guy's birthday is tomorrow, will you do something for him?**

Like we usually get cake and sweets and stuff, and then go for a drink after work.

**Cool, thank you very much.**

### **7.2.2.3. James**

**Tell me about your charity work, what do you know about it?**

As far as I know The Agency gives, does charity work for charity organisations, they do presentations like videos to help the charities so they can bring in more capital and that's pretty much it?

**How much time do people spend on it, to your knowledge?**

Quite a bit of time – they get basically get opportunities to choose a charity of their choice, I'm not too sure the specifics but I think it's about 10 hours or so, a couple of hours they give them to do the charity work on the edit – as I say I'm not on the production side.

**Okay, but so are you aware of what charity people are working on like this month?**

This month I'm not too sure, usually I do know because, like I speak to them about it like that – okay so I know that they do, I think is was...geez I can't actually remember now, but I know that they do – when they're doing it they will tell me and I'll be like okay fine – but I'm not aware of any at the moment.

**Do you sit in status in the mornings?**

Yeh

**Okay – so do they show the videos that they've done?**

No, no – It's basically like in status they discuss what they're doing for that day and when they should be complete by the end of the day or the end of the week.

**Why do you think they do charity work?**

Um, well to give something back number one...to the community – and also like charities they, they're non-profit organisations so they don't have money to actually go and get guys to do the corporate videos to attract more people – so that's why I believe Ryan does it.

**That's why Ryan does it, is that why you would do it?**

Ja, well pretty much to help the charity, the organisation.

**Besides the benefit to the organisation or the charity, do you think there's any benefit to The Agency?**

Definitely, I mean...I think it opens people's eyes that are working here to what is actually happening in the world. It's scary though – I mean like you can see the guys when they go do the shoots and they come back – some of them come back and look like wow – their eyes have really been opened – like wow I can't believe that is really happening – like there are children out there like that and – so it's quite touching.

**So it's educational?**

Yeah.

**Okay, great. What do you like about working at The Agency?**

Number one I like the business ethics – that's one of the main reasons why I joined – it's basically like service is the end type thing – you got to give your everything – people here they are all generally like pushed to their limits – they put everything they can in so

it's a good place to work because of that and it's a nice environment where people are good, friendly, fun.

**Is it fun?**

Yeh.

**Are you having fun?**

I'm enjoying myself – yeh – definitely.

**Have you worked anywhere else before?**

Yeh.

**And how would you compare the fun levels?**

Completely different – that's one thing like – The Agency you – you have fun while you work – other places you work and then you have fun after that.

**Have you worked in other small organisations?**

Yeh

**Okay – different to here?**

Yeh, I mean I worked in a retail store for about five years – worked at a IT repair company as well for about two years – that was more corporate – as I say the corporate side is like you work and on a Friday maybe at half past four you that's when you get to have a couple of beers like – get to have a braai and things like that – where as here it's

like every Monday morning we have a braai for lunch – or something like syphilis which is like – it's good for the staff morale.

**Okay – tell me the syphilis thing – I've heard a lot about it – what is the best one for you this year?**

Phew...I don't know there have been so many that have been good. I think going to, we went to Snowscape which was quite fun – it was also quite team-building...we had...what was the other ones – we went to watch Pirates of the Caribbean which was quite awesome...

**Yeah – you guys borrowed some of my clothes actually! Okay so that was your best one.**

**You don't really do the charity work so there aren't that many questions that I have for you. In terms of skill levels, how skilled are most of the people who are hired here?**

I'd say on average most of them are highly skilled...I'd say. I have noticed that Ryan likes to hire people that are young as well, that you can train up...you know they've got some level of experience, but basically so that they can learn from other people here who have got more experience. But generally most of the people have got quite a lot of experience.

**And how is staff turnover – how many people leave?**

I've only been here for about eight or nine months – and so far I've seen three people leave.

**Okay – out of about twenty?**

Yeah – about twenty three.

**Last question – about Ryan – would you say Ryan is kind?**

Yup.

**Why would you say that?**

Well basically he is very giving – I mean he is very generous, generous – he has got a kind heart, he is firm – but I tell you he's like the extreme on both sides. He can be extremely kind, friendly, giving and then on the other end he can be extremely hard, extremely strict...which is good – I mean people need that in business.

**Super – thank you .**

Thanks.

#### **7.2.2.4. Jodie**

**Okay, so what's your name?**

(deleted)

**State your name for the record...**

(laughs) I'm (deleted)

**Have you been involved in charity work in The Agency?**

Yes I have.

**Fantastic. You're the first one I've spoken to. What have you done?**

Um...I made, Gareth and I worked together, we made two videos for Yenzani, a children's home here in Midrand. They wanted to expand the home so it's a plea for bricks and mortar basically, to big corporations.

**Okay, so you did the video that helped them?**

Ja, now they have dropped the video off at a whole bunch of different places and they have actually managed to raise quite a lot of the money that they wanted...and got doors, window frames, tiles, all that kind of stuff, for extensions.

**So how much time did it take? How much of your time?**

I think we worked on it for about three weeks to a month. The two of us.



**Wow.**

I mean there was quite a lot of video, a lot of shooting the kids, interviews...

**You were working on other things at the same time?**

Yes, ja.

**So you weren't like dedicated?**

No no no, but I mean it did take up a lot of our time though, doing it.

**Okay, so it's obviously something that's taken quite seriously here. To take you off your work for that long.**

Yes, we tend to treat charity work the same way we treat any other job that we do for a company.

**Ryan mentioned that.**

Like we still do the same amount of work. The same amount of professionalism, everything.

**So if you had like a screaming urgent deadline from a paying client, would you push charity work aside? I mean what would take priority?**

I think the paying client would take priority, but we usually...like I wasn't given any hectic deadlines while I was doing the Yenzani job.....I mean I had a few other things going, but it wasn't you know big projects. It was like small, minor sort of things.

**And how did you find it?**

I thought it was awesome. I mean playing with these little orphan kids. It's actually a home for abused children, they're picked up off the streets and the courts have taken them out of the townships and stuff. So it was very cool. I really enjoyed it. These kids were amazing. These tiny little kids were so happy and enthusiastic about life, even though they have been so traumatised, and abused.

**Do you think that your work actually made a difference to them? Do you think it actually has real benefit?**

Well, about two months afterwards we got an e-mail from Sam, the lady who runs it, saying "thanks so much for the video", and they had managed to get a whole bunch of money, and they were getting ten more children into the house next year and they expanded another wing onto it, which is pretty cool.

**So you think it is making a difference?**

I think so. Well I mean that particular job, I've only done one charity job, because I've only been here for four months.

**Oh, right, so you're quite new. And do you think that.....do you think it makes any difference to the way you feel about The Agency, that they do corporate social responsibility?**

I think it's great. I think every company has a social responsibility. Most companies make quite a lot of money – surely some of it should go back to help people.

**You guys are quite a small company. I mean what you're saying – sure it's fantastic, but it's quite a small drop in the ocean. Do you think that it's enough? Because a big company can donate, like a million rand.**

Ja, I don't know. For the amount of people we have here I think it's as much as we can do. I mean if we do one job a month which is pretty cool.

**Okay. And different people each month?**

Ja, at the beginning of the month Ryan said who wants to do a charity job this month. People volunteer themselves to do it.

**So you would do another one?**

Ja, definitely.

**Okay. Do you think that by donating work...do you think that is as beneficial as if you just donated money?**

Like, I don't know...I think it's better to give them like a tool for how to get money as opposed to here's thirty thousand rand, that's what the video's worth. And we also know that it's going to the right people...because a lot of charities...I don't know. Just giving money doesn't always beneficial.

**Would you... I'm trying to find out how strongly you feel about charity. Would you give money off your salary to charity?**

Hey, I can't really afford to, so..... maybe if I was earning more.

**(laughs) Okay. In terms of The Agency I said it's a pretty interesting company to look at from the outside... you've got all these events and that. What for you makes it special working here? What is the thing that you like about working here?**

I think it's the whole philosophy of like make work as fun as possible....like we do all sorts of fun things like go snowboarding or...you know arb things every week, or go out

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for lunch, have a massage. I mean, there's Ed who does The Agency TV, he's always up to something. And also the people as well.

**Do you feel that you are closer to these people than you would be in another company, perhaps a more corporate company? Do you socialise?**

Ja, we go out for drinks and.....yeah we do socialise. Quite a bit.

**How much of The Agency do you think is Ryan?**

Quite a lot of it actually. Most of it, I mean most of these things are like his ideas, to constantly have fun at work.

**So, a lot of the staff morale could be because of his personality?**

I think so, ja.

**It's a leading question, but do you think...**

Yes, I do think so. I mean like he basically is The Agency. Essentially the whole philosophy behind it is like his philosophy.

**And if you were to have your own company one day, do you think you would go for something similar?**

Yes, definitely! I mean we work such long hours, and everyone is still usually in a good mood at like...without sleeping, right the way through the night...I think so.

**Do you think he's getting more out of people than most other small companies?**

I definitely think so. I think it's important, like we were saying, when they stopped doing all the fun things the staff morale dropped, and productivity dropped a lot as well.

**Thank you, that's just what I wanted. Anything else?**

Well, no.

**Are you happy here?**

Yes, very happy.

**Have you worked anywhere else before?**

I've done internships, ja, when I was at varsity, a month here and there.

**So you can't really compare it to another company?**

Well I worked at Rapid Blue for a month. It was cool, but I mean it was very structured, very formal. Everyone sort of just did their own thing. It wasn't really like teamwork at all. And ja I felt quite out of place when I went there as like an outsider. As an intern well wasn't, I didn't feel very welcome...but after being here for a few days I already felt very welcome, and part of the team.

**Thank you.**

Sure.

#### **7.2.2.5. Nico**

**Some of the questions you might not be able to answer, some of them were specifically for Ryan and Jade but if you can great. How much does The Agency donate to charity each month?**

Well we're supposed to give a product worth twenty grand a month so...

**Have you personally been involved in any charity work?**

I have.

**What, what recently?**

Recently, well it probably was about 6 months 4 months ago, I worked with Khahela Consulting, they do work around AIDS and AIDS education. So I did a presentation for them.

**Have you done lots of charity work or is that the only one?**

That's the one, and I'm doing work for Rotary Club now.

**Right now?**

Well I'm waiting for contact.

**Okay what's been your favourite?**

What's been my favourite, well I've only done the one, the other one I haven't worked on so by means of luck.



**The one you've done.**

I can only mention Khahela.

**How long has charity work with The Agency been going on?**

I don't know.

**Is it a big part of The Agency, do you perceive it to be?**

Ja well we take it quite seriously, we try to help the people that can't afford to get that type product and they need that exposure.

**And on average from what I gather it's different people each month?**

Yes.

**And how many people at one time are working on it, like those working with you now?**

No one's working with me it's my own project, but that's by choice.

**Did you choose the project?**

Yes.

**Okay that was one of my other questions, did you volunteer?**

Yeah.

**How important do you think it is to let the staff know what is going on with charities?**

Well they should know, they should all be kept in informed about what is going on so like for instance the one project we did for, I can't remember the name, it was for a couple of kids and Coke sponsored them a lot of products like cool drinks and clothing and stuff like that and I was involved in that with Gareth... Yenzani...

**Yes that's right someone mentioned that to me**

Yes, Yenzani, and that really like boosted the morale of the people involved and just like made them feel good that like, we all did our little piece of do good thing for the day you know so...

**Okay.**

And like everyone knows that we did it and stuff like that so...

**Everyone here?**

Yes.

**Besides the do good factor do you enjoy it?**

Ja of course I enjoy it.

**If it was something like building loos for the disadvantaged would you still be keen to do it?**

Ja cause it's clean, ja the building part's clean.

**If it was cleaning loos...you know what I'm trying to ask is...**

Nah I wouldn't enjoy it, but I'd understand why I would have to do it but I would do it but I wouldn't enjoy it, but I'd enjoy the fact that I'm helping someone, there's a big difference, difference between enjoying the actual task and enjoying what you're doing.

**True. And do you publicise your charity work?**

No, not at the moment.

**Okay. Why do you think The Agency does charity work?**

Why, because I think people want to feel good about themselves. That's the first reason I think people do charity work to start off with. Not because they think people need help they want to feel good about themselves. So I don't always agree with it

**Okay in terms of what you do for charity, you give of your time not of your money?**

Yes well we give a product equal to R20 000, that's a 30 hour implementation whether or not it is a video or a presentation or a combination of the both it comes up to 30 hours work.

**Do you think it might be just as valuable to just hand over R20 000?**

No I don't think so, not from our point of view because then we are not really adding value we just giving them cash.

**But they could do something with that money?**

They could do something with that money ja...

**But you think it's more important that you, you think your skill is worth more than just R 20 000?**

Yes, definitely, 'cause we, we don't end up giving them just R20 000 we probably end up giving them R50 000 and the amount of effort we put in. So I think it's a lot better.

**Well something else I picked up is that people feel that the value in the videos is that they can use the videos to make more money.**

Exactly, I just wanted to come to just that point they can actually use what we give them to generate more money, that's what we are, what I'm doing now for Rotary actually the goal of the presentation is to get more members and to get funding.

**Okay, so they can make copies of that and...**

Yes, and they can use it over and over.

**Okay – you are nevertheless a small company making a small contribution. Do you think you're really making a difference?**

I think that if everybody thought like that, that they're only a small company making a small difference, nobody would achieve anything, so even if we are just touching one person, I believe if you touch one person your whole life that you made a difference.

**Cool – we are going through this very quickly – staff morale – section two...**

**How many staff are here now?**

Twenty one I think, something like that.

**And in terms of skills when people are hired here, are they relatively, how many university degrees have you got here?**

University degrees – one.

[deleted]

**Right. Generally what level of skill do people have when they arrive here?**

Um...Nothing basically.

**So there's a lot of training?**

A lot of training, ja.

**Do you think that training is one of the reasons people want to work with The Agency?**

No I think people have a misconception of The Agency when they get here. Cause it's the, they see what the customer see, what our clients see.

**Which is?**

That it's a fun company doing lots of great things which we do, buggering around all the whole time, making fun videos having this awesome office which plays a lot of like live music, and tv's all over the place and that's what they see and attracts them...a lot of toys with segways they can ride on. And they see that, but they don't know the amount of hours you work, how hard it is here, the stress levels, the up and down levels, the inconsistency in emotional behaviour, that type of thing.

**Do you think that might be a factor that is common to small companies?**

No.

**In the creative industry?**

Okay, I don't know the creative industry, I've only worked in one creative industry –  
Okay I, maybe in the creative industry but not in small companies no.

**So there's a lot of emotion here?**

Yes – it's a roller coaster ride.

**Okay. Do you think people see The Agency and they think it's cool?**

Ja, for sure.

**That's why they want to work here?**

Ja.

**Because it's cool?**

Ja, because it's different and cool – which it is – but that's just what they see they don't  
know the other part.

**I'm interested in this different thing because I've heard a lot of people say you can  
be who you want at The Agency.**

No.

**Carry on?**

I don't think, well you can be, you can be different but to an extent you are still put in a box – because you still have to project The Agency way of doing things and there's a very clear The Agency way of things – you either do it The Agency way of thinking or you...

**What's The Agency way?**

Ryan's way.

**Ryan's way?**

Yes.

**In terms of demographics, the company seems to me mostly to be male, mostly young?**

But that's all planned.

**Why?**

'Cause Jade doesn't want to hire more girls because it all just ends up in a big cat fight – that's her opinion.

**Okay...**

Granted – I want more blonde poppies from Bloemfontein.

**I'm sure. In your opinion – see what I keep coming back to is everyone saying this is such a different place but what I'm seeing is a lot of the same, I'm seeing a very homogenous culture...**

Homogenous – spell that?

**I don't see, like I don't think I could fit in here**

No – that's the thing you're either going to thrive in The Agency or you're going to hate it, and there might be a couple of in-betweeners that will work here because they don't have anything else and they can't leave.

**I hope not – are you one?**

No, definitely no, it is like that and that's a fact – because they come in with nothing – and they don't have anything else and no one else will give them a chance to achieve and that's why the people come here...because Ryan gives them a chance.

**Ryan gives them a chance, that's a good thing...**

Yes, that's a very good thing.

**Okay.**

But then they can't leave – type of thing because who else is going to take them – except if they reach a level where they become good enough and then they eventually do leave – and that is a pattern that's been going on for the last, what... four or five years.

**So people come in with no skills, get training...**

Yeh, they get trained and get to level where they can do their own thing and then they bugger off.

**Despite the fun environment?**



Yes.

**So the fun environment isn't enough?**

No – 'cause it's also tied – there's a relationship between your bottom end and your own pocket and the fun environment, and I think the fun environment is a high level and the bottom end... your pocket is low.

**So people that are more entry level are more likely to leave because they are more interested in bottom line?**

No...no, no, the people in entry level are still willing to work here because they don't have the experience to go somewhere else, but once you get to a level where you, where you – what's the word – you can earn more because of your experience and it's justified, they start leaving because you probably won't get it.

**That's a problem. Do you think people here are trusted to get on with their jobs or do you think they are checked up on all the time?**

People are supposed to be trusted, but they are micro-managed.

**Okay. Would you say people are paid above average salaries at The Agency – in your perception?**

No.

**Below average?**

Below like, let's say like if we go into average, in compared to general normal small industry, not creative industry...

**Well if you're a video editor – what you would earn as a video editor?**

Video editor – well then it's most probably the same. but it is less than working for ABSA type thing on same level of skills.

**Okay – so what besides money would make people want to work here?**

What besides money – well money I don't think is a determining factor at all – just the fun environment and well that's mainly what keeps me here is working...with the clients we do, getting the exposure that we do get – working in an extremely like stressed environment getting, being able to prove yourself, like just seeing your product out there, that you created being done in front of a crowd of 500 people and they love it, that recognition that you get, that type of thing and working with a bunch of really cool creative people that – it's like a little family type of thing.

**Yes people have said that – like a family so you would agree with that... family?**

I do agree with that, ja.

**Okay – what is the main reason people have given. or you suspect people have for having left, the people that have left?**

People have left – it's a clash with Ryan.

**That's it?**

Yes, that's it.

**Money?**

No not money – it's an opinion – personality.

**Oh, okay so the emotional thing.**

Ja – definitely – if you don't get along with Ryan you are going to leave.

**That's the number one reason?**

Ja.

**And is that why most people leave?**

The majority of people leave – ja – well like the majority of people who don't get along leave, but people like [deleted] and the [deleted], they reached, they worked here for three years, reached a level where they could do their own thing and by all means go do your own thing – do it, 'cause he will support that – so there's two versions – you either get to a point where you can do your own thing or you don't agree with – you clash with Ryan and you leave – or he'll throw you out or you just quit.

**How much throwing out goes on?**

At the moment not a lot – used to – quite a lot.

**Is it?**

Ja.

**Okay – in terms of working hours – how often are people working late? And how often do you personally feel you work late?**

Personally...well basically it works in cycles – I'll have a month where I don't do anything – literally nothing and then another month and a half where I work every single day like...

**What do you do?**

What do I do, [deleted for confidentiality], all that type of thing.

**So it depends on – there could be work in the system that's not related to what you do?**

Ja – let's say there's [deleted], then I don't have any job.

Okay.

Ja.

**Shoe, that doesn't sound very efficient – doing nothing for a month?**

No, but obviously I'm not doing nothing, then I'm doing other things, then I'm working doing like photographic tutorials, I'm [deleted for confidentiality]...so I'm never doing nothing. But I'm not doing my job description – which I don't even know what it is anymore...

**What do you think The Agency looks for when they hire someone?**

Attitude.

**Attitude, not something else?**

Hire for attitude, train for aptitude, but it's changing now...

But that's changing – the attitude and aptitude thing – we're looking for both now

**Oh, looking for more skills because it's very expensive to train?**

He can't afford to do it anymore...

**And people keep leaving?**

Yes because people keep leaving and the thing is, he can't afford to sit with people personally anymore training them cause he is too busy.

**Sure.**

And everyone else is too busy so that's why he is looking at more skilled more trained people to start off with – that you can almost leave a little bit more.

**Yeah, but they're expensive as well.**

Ja, and that doesn't work here, so there's this morale, this bit – I don't know...

**If someone was unhappy here do you think they will be comfortable talking to management about it?**

Which management –it depends...

**Well, I think it does come down to Ryan even from what [deleted] has said – do you think people would be comfortable talking to Ryan?**

Not necessarily, no.

**Would they feel comfortable talking to Jade?**

More, because she won't rip their head off.

**So if someone was unhappy do you think they will just keep quiet and leave?**

Yes. Well...that depends on where you are in – like a more advanced editor would obviously have walked a path with Ryan and would feel more comfortable to talk to him, but someone new like no more than six months won't like it, won't want to talk about it will just leave it, that's the way I see it.

**Do you think people are scared of Ryan?**

Of course.

**If you had to describe The Agency to someone who had never heard of it – what are the things you would mention? Like what would you say that you think would make it stick in their heads?**

Don't know – I normally just waffle a lot of things...

**Waffle?**

Waffle. (laughs) Well first of all I would say we are a presentation company we're not an advertising company – so we focus on delivering the message instead of making the thing look pretty. We do things a lot different to normal corporates – we dress funny, we act funny, we do whatever we want, but we are always professional and that's a main thing – basically what else can I say...wada wada wada...

**You've got all these gimmicks – you've got like a bed...**

Yeh, that's a thing!

**You've got segways. You've got...**

Toys, all that type of things – themed everything.

**Tell me about the syphilis, tell me about these events?**

Well that's actually pretty cool! I quite like...I enjoy those – it's every two weeks – well it's changed to every week now. Every week it's R1 000-R1 500, I'm not sure what he's changed it to, but it used to be R2 000 every two weeks where each person will be drawn out of a hat and pass it on to the next person, and you go and decide what you want to do for the two weeks to make the office environment a lot more fun and less stressful.

**So do you think there is an active strategy at The Agency to keep people happy?**

There is, ja.

**It's quite deliberate?**

It's deliberate, but I think it's – what's oppervlakkig?

**Superficial.**

Yes.

**Tell me about some of the syphilis's that you've done?**

Well Jade's one was pretty cool, we did lots of little things like team-building, and exercises, painting faces, drawing each other like the way we saw it, see each other that type of thing, we had to get to know each other, spend hours together chatting about stuff

built pizzas together, that type of thing so like that went on for a two week period, it was very cool. Kurt is on at the moment, like a Cluedo type game where each person must design a character and there was a murder and we have to figure it out and all type of stuff like that, so it's like real time Cluedo which is very cool, except for the fact that we are never here so it doesn't work.

**Right. How long is that going to go on for still?**

Well, we extended it to the end of this week but it's not going to work, so... it was a very good idea but we're too busy. Other stuff we've done – rodeo, cowboy stuff, we did one day where we had the whole day off and we did, we had all these blow up toys like waterslide thingies?

**I haven't seen that video.**

I went to do that snow skating thing...

[deleted for confidentiality]

**So there is a lot of fun?**

No, a lot of fun and it's good – I mean I think that works really, really well and everybody looks forward to the next thing, and it's good to keep the stress levels a little bit down.

**Do you think people are happy?**

Some people are, some aren't.

**More happy than not or more not happy?**



But that's a thing like, basically it all depends on the mood Ryan's in.

**And how much you challenge him I suppose?**

People challenge him? – no way.

**I mean it depends on how much you challenge him – if you don't, you're fine.**

But I mean if he's down the whole company is down, if he's happy the whole company is happy that type of thing you know, no one is going to joke around and play funny games if he is throwing his toys out of his cot, it just doesn't happen.

**When you say throwing toys...**

Literally.

**Yes, someone mentioned a fist through a wall.**

Yes fist through a wall, elbow through a wall, chair through a wall, cell phone to someone's head...

**Someone's head?**

Yes that type of shit – but it doesn't happen, he's a lot better, it doesn't happen anymore.

**Then it's also interesting you say he is a lot better, because that's come out people have said that it wasn't, it didn't used to be like this.**

No.

**How long have you been here?**

A year and two months.

**And in the time you've been here have you seen a change?**

Yes definitely – a big change.

**He's got better?**

A lot better.

**Because Ryan is The Agency?**

Yes, no without Ryan there is no The Agency. No one else is The Agency, that's a fact.

**Do you think Ryan has an active strategy for staff morale because of how he is?**

Definitely – I mean he underlines everything in books applicable to The Agency bla bla he knows for a fact.

**But he is better?**

Better. Definitely.

**Better or trying to be better?**

I think he is trying to be better.

**What has been your favourite activity this year?**

My favourite activity?

**Like a syphilis or whatever.**

The time we went to go watch Pirates of the Caribbean, it was like a whole week, a pirate week...

**People dressed like pirates?**

Yes, it was cool I dig that.

**If you were going to have another job tomorrow and you had to ask three questions about your next job – what would they be – what would you want to know?**

My next job...I wouldn't apply for anything if I had to go do something else on my own.

**What would you do?**

What would I do – my own thing.

**But what are the three things you would be looking for?**

What are the three I would be looking for – well first of all then if I have to do something else tomorrow then I will do what my real passion is, and that's [deleted for confidentiality] and I will start with that – so a combination of obviously that and something else that can bring in cash flow that type of thing.

**So money and enjoyment?**

Ja, for sure.

**Cool – end of my questions unless there is anything else you would like to say about your experience with working with The Agency, your experience with the charities?  
Thank you.**

### 7.2.2.6. Ed

**Okay. State your name for the record?**

[deleted] The man himself.

**Have you been involved in any corporate social responsibility or any charity work at The Agency?**

Not charity work. You say corporate responsibility, is that...?

**Like you've done Nkosi's Haven work, and Steps, and people have been telling me about different projects you've done. Where you don't charge the client basically.**

Oh. No, the thing is we're not editors back there, we're actually in the animation department, so we do...we won't go out and shoot, but if we actually do anything we'll do the logo builds and stuff like that...so like stuff like Steps, I think that was a charity job. That was free. We do like the logo and stuff. We're not actually involved in like the full on brief and that.

**So you wouldn't know if its charity work or not?**

No, we would know that its charity work, but it would be the same thing for us. You know, we're always out there to do the same good job. It's not, um, the weird thing is...it's weird thing to try and describe. It's like a normal day, not job for us, but its something that we do because we've always tried to do a great job for everything, so its just one of those, something like that.

**So you are aware of what work is for free and what work you charge a client for?**

Pretty much.

**Do you prioritise the work that you charge your clients for? Over the *pro bono* work, or not really?**

You would expect it to be a lot more, but actually not really no. Ryan himself, he likes to do the charity jobs and stuff like that, and we always try to impress the people here, we always want to make the you know the big heads happy, so we always try to do a good thing with everything.

**Okay, that's good. How long have you been here?**

A year. Which is like the second longest I've ever been in a company. I'm one of those leaving types.

**And how does this compare to other companies? What's different? If someone had never seen The Agency before, how would you describe it to them?**

That's weird. Because every company had something, and not every...I've never been in a company that does everything right. That's almost impossible, but its just...I think...like when .....every company, all the guys want a laugh. The one company I was working for, called DCGX, they're in Kingston. These guys would never hang out with each other, you know what I mean? And then eventually, when I resigned, the boss sort of realised and sort of, well okay. That was the first and only job, it was sort of like ....you know actually he's got to make his staff happy. He threw a party for anybody, it was like he had this private bowling lane that was underneath this bowling alley thing.it was the best party I've ever been to, which is so bizarre, because the guys were like choking to be.....with each other and stuff and it made everything better, it's just like ....why don't we do that more? What we've got at The Agency we do that, like there are certain problems in a company that you'll never get away from. Like the work sometimes is heavy and there are tight deadlines...so you can't get away from that. That does suck

....you get knocked down for ideas and it comes down to your own self-motivation...how you perceive yourself to be in a company? And then its down to...like for me, I really wanted, this is why I'm not a freelancer, I really wanted to be with the people all the time. So we have these interesting little like I'm always doing the music and stuff, yes, the work is like... 'cos we just finished Coke now so that's a lot of work for us, a lot of work for me, because I had to do it independently, the show is more sort of my thing, that I handle. We always tryna do music, and always tryna have a laugh, and always try to come up with ideas...Me, what I do here is I actually run like TATV stuff, so that's like getting the muppet thing, and the guys run around doing drag races and stuff..and that's...

**But that's your own initiative, that muppet thing....your idea?**

Ja, Ryan, basically I was an animator here and I was actually going insane, it's true. Because it was just....I mean I'm 29 now so you know you come to a certain point where you have worked like a slave to a certain point, and then you need to step aside and be a manager, be a thinker instead of being the guy who does everything...you know what I mean? So I just got tired, and it was just...The Agency is...there are not a lot of animators in this country, so you get flogged here...it's like, poor old Jacques he gets it too because he's like the freelance guy.....so he gets a lot of work all the time, you know bundles on top of him, so I just decided I can't, I don't want to do that anymore, so Ryan goes like okay....I'll let you do the TATV stuff – you think of the fun ideas, and we go and shoot, and you handle the bigger things - which is good.

Now what happens is I have the fun, I have a laugh. I don't make as much money, but I don't care about that...because I'm not going to slit my wrists. And I do the bigger things, so I like do the Coke concerts and stuff like that, and we do fashion shows which is shot by me...and then I get the other guys to sort of help me out with that, so it'd like sort of managing the little team that we have, and we run it, and that is wicked actually...our little group, it was us, you know? And then...I've lost my train of thought...

**This muppet thing, so that's just something you're doing for fun? Just to entertain everyone?**

Ja, we had to shoot that after work. See, Owen and I, we don't.....we can't, because even though Ryan pays me to do that, I consider it part of that but normally TATV is during the day, but this one we have to shoot after work, so we all have to hang around and do it sort of thing, but it's just...she has this toy and she..it's this little laughing, little weird thing, and it keeps laughing and she, she you know she does it just to tease me, she keeps turning this thing on so I thought no it's fine, I'm going to...kidnap it.

**So where is it?**

Well.....no, you have to follow the clues!

**Ah, I'll have to watch tomorrow. But that muppet thing is really interesting to me, because that's like putting a lot of effort....I mean usually when a company does staff morale, they bring cake. They don't do a whole video of stealing the girl next door's muppet.**

I've been doing that for years. It's just these little A-team intros and putting people on magazine covers. It actually.....it's kind of weird., you can be...not slanderous to the person but you can be kind of risky with what you're saying and stuff, but the effort you have taken to actually...they just forgive you.....never, never slander people though, you always do it for a joke. You don't want to put effort into a person you really don't like in the company. So I think its good. Another thing you need to know is that...The Agency wasn't always good....there were certain points where The Agency was bad, and you've got to get the right group of people together, that's why when you interview people you have to be.....it is not like, okay you showed us your CD or showed us your little portfolio that's fine come and join us, its got to be more than that, it's got to.....you know, you analyse the person, you see how fun they're going to be...



**So it's not just their work?**

No, you've got to find the right people to be together. Because there was, there was Tosh. He was here before, and he and I never really spoke too much. I mean maybe that was sort of my fault. I did not actually communicate with the guy very well, but it was just. It's not a bad thing to have two different personalities, it's just that that was very different, I mean we just both had our headphones on we just didn't talk...it wasn't really that good and eventually the guy just was sort of overworked..he just didn't pitch up one day, he just decided no sod that, he just never returned. So that's Tosh. Maybe it was my fault, but doing the morale thing...we went down to....we did a Spring Day sort of thing and I took the camera with and tried to get everyone to have fun, and get on the slides and stuff. You sort of forget about filming things. You kind of need everybody to be doing that, so that...I can actually...we forgot the camera...we were going to film and I was trying to get people to go on the slides, and I was calling. We'd do a volleyball and then call everyone to do a volleyball and then call everyone to go down on the slides...you can't really do everything you know. So sort of trying to get everybody to take part, and you sort of forget about the filming thing. The camera just sat there for a while...until the boy there was like the cameras are over there? Okay we're going to film some stuff!

**I'd like to see that.**

We did not film the good stuff, that's the problem! We had a little bit of the volleyball action, the 'Volleyball Top Guns'...

**Ryan said you had some nice stuff. You know, that shows team-building, and your syphilis events?**

That's another thing about the TATV thing, is that before, Ryan was like syphilis should be inside the company sort of thing. And that's what I did. I don't know if you have seen

any of the TATV stuff. That's why we took everybody to Snowscapes. It sort of got people thinking, maybe in the wrong way, maybe it doesn't need to be a huge event that you do every single week. You know that's nice, but maybe it's just something you do. Which is pointless, maybe it should be something every single day that you do...it's just tough to find that one little thing to do. Like buying everybody sweets, putting something on their desks....maybe you actually need a person to think up that stuff. Because I mean I'm thinking up the TATV stuff all the time, it's insane. But then the guys who are coming through with the ideas and stuff like that, and then you even them up.....everyone is coming to me with a finale video. I wasn't really expecting it, you know what I mean? It was just good. Ryan wasn't so happy about the idea of the muppet but I thought nah, we're going to shoot this anyway, this is all good, you know, I feel it. I feel the muppet. (Laughs) So it worked out. It was alright. It did not take us very long to do, I think it took about twelve minutes. We need to shoot it first of all, then we need to choreograph. We did not want to wreck the office more...we needed the little guy to work, so to film the little guy, we could not break the guy, so we have to choreograph the stuff out, make sure it's right. But I think...a team of people is important. See the thing is there are certain things you can't avoid, one is when you don't have, for example, the motion graphics people, you don't have a lot of people in the company, you're going to get flogged. And I resigned from that job, and I would not go back to it, and that's the one thing that's wrong...maybe here, but it's like that everywhere.

**Where did you work before?**

Well, I've been working everywhere before.

**Name a Company that I would know.**

Okay I'll forget the UK ones. Well I've only worked in Shift and in Detail here. Shift is next to Epsom Downs or were, they've closed down, and Detail was a little little...so I got from like a team of three people to four people to law firms to medium sized teams. There's certain companies the bosses don't...it's a big thing, if you're a manager, sort of

here there's sometimes the managers tend to stay away from the employees, they try to think that if they're on the outside...you can't be a friend and tell somebody that they work sucks. Alright, if I had a choice between either having some bitch boss telling me that my work sucks, or a friend telling me that it sucks – there's no sort of mindplay with that. I think the friend all the time...the bosses should be...

**Is that what's going on here?**

See the thing is, when I was an animator I never spent much time with Ryan, and once TATV happened he's now... he and I sortof handle that, so now I have to talk to Ryan, and now it's better, now I actually understand Ryan a lot better than I did before. So now taking changes and stuff from him is much better. Because now I have a bit of a laugh and I get to understand the guy a lot more....and not just being this mean boss and all my bosses did that. All the guys kept away...I don't understand why. You know what I mean?

**So is that something you would say is significant in The Agency, that Ryan is closer to everyone else?**

Ryan is getting close. But he used to be the guy that punched all the walls and stuff, but he's changed that. And that's good and I support him on that. That was no good. See punching the wall next to your desk that just kills morale totally. But then how he wants to buy everybody...like he wants to do the braais and he buys everybody breakfast and he does the TATV thing, and does the syphilis thing and he....see that's all good moves.

**When did that change? When did syphilis start?**

Well I think the big change must have been into this year when one of the guys didn't want to come to the Christmas party. This is when the guys started to fall away... you started to filter out the younger guys from....because you need guys who really want to be here sort of thing...so I think the younger guys need to go touring for a while...maybe

they just need to be barmen or something...so that they actually...they sort of appreciate the job more. It's like Owen. He's never been to college, but he came through here just to see what it was like and thought ' I want to do this – it sounds like fun', and he sat here and he worked and he eventually got a job very quickly, and he's a lot better than everybody gives him credit for. You know what I mean? So ja, in all fairness...you need more motivation. Self-motivation is important and your.....team. You need to find the right people to mesh together. Tough, but this is why you find like really skilled people. (inaudible)

**Do you think it's working here? Do you think that there's a good team spirit and people are happy? Are people happy?**

Yes. I think the workload is the one thing that kills morale totally. It's not each other, and it's not really the managers. Everybody can go to the managers – they're not unapproachable, but the level of work is high. The Agency is a lot of work. Everyone gets a lot of work and its sort of like Jake gets a lot of work, he's flogged, so does Gareth. That sort of kills it, you can't take a break for six weeks it's just one thing and then another thing climbs in on top of that...

**So you need like the syphilis, and you need the fun stuff?**

Ja, you need the fun stuff, the problem is that sometimes if the guys are busy they can't do the fun stuff. So if we go ice skating the guys don't come with, because they've got work to do. So maybe it's a combination of the two, maybe there needs to be more...because Ryan also hires the freelancers and stuff like that, and the guys need to be their own managers and say immediately when they can do it or not, and then Ryan hires in freelancers. Which I think the guys should actually do. So if they get flogged it's part of their fault. They need to say actually I can't handle it, because Ryan's totally open to that. That's a good move.

**How are you managing all this charity work, if you guys are so busy?**

It's inbetween, if a charity job comes in that Ryan wants to do, he'll put it in as a job. So there's no quote for the guys to follow but it's sortof, you'll get an understanding of what the video is and say okay, it's a 30K, 50K job whatever, and just do it, and you fit it in as a job.

**But you personally don't get any kind of interaction with the charities – you don't feel any reward, any benefit, because you're not even aware that its...**

Not really no. I mean if I was an editor it would probably be a lot better.

**Thank you. Is there anything else you'd like to add?**

I'm like really attractive, and I'm like, kindof single right now. Kindof vulnerable...

**(laughs) I'm going to type this up!**

Kindof alone right now...

**Okay thank you, thank you.**

### **7.2.2.7. Jake**

Is the light good?

**And what do you do?**

I'm a video editor.

**Have you been involved in any charity work at The Agency?**

I have...the charity job unfortunately didn't come off. I did go film and stuff like that. I was involved in a project called Twala House(?). It's a charity in town. They take care of kids...homeless children that live around town and stuff like that, they give them a place to stay. Those that show potential, stuff like that. They get sponsors for them, send them to school. One of the nice things that they do is actually- one of the kids that was there actually started doing pottery. He got sent overseas to train under a master potter in Japan? And he's come back and now he teaches all the kids there that want to learn pottery and stuff, all the skills that they can sort of make money out of.

**They can sell it. So you filmed it?**

I did film it. I have no idea where the footage is, anymore. Unfortunately, the reason it never came off is that the people that sort of run the place were always too busy to help me out and stuff like that. I couldn't get interviews, I couldn't find out the actual purpose they wanted to use it for and stuff like that.

**It was free work...but they didn't?**

Ja. You'll find that charities are often the hardest clients to work with because they really are very difficult.

**I haven't heard that.**

MaAfrica Tikkun is a prime example of how difficult a client can actually be.

**What happened there?**

Well, basically I think we have re-done the video five times now. What they said is 'okay we want all that content, 36 minutes, but we want you to fit it into...3 minutes'.

**What's the charity's name?**

MaAfrica Tikkun

**So my next question is, do you find it rewarding? But it didn't sound like it...**

You know the thing is I think it can be very rewarding, and I've seen like some of the other videos that the guys have done. Absolutely phenomenal, but unfortunately I've never really got to do the work that I really want to do with it.

**Do you think that the work...if you were to get something actually finished and out here, do you think it would be of benefit to society?**

I think it would actually. I'm currently speaking to Gareth about working on a project that I want to do about trying to raise money for the Red Cross and stuff like that, to help homeless children and stuff like that.

**That's great. When is that?**

I have no idea, we're busy trying to work on a plan and stuff like that at the moment...unfortunately things have been quite busy, so....

**So, if you think it could be rewarding, what do you think would be rewarding about it? Why would you want to do it? Honestly now.**

Honestly because, it irritates me sometimes to give money out at the robots, and to know that it's such a small thing that I'm doing. It's not going to make that big an impact or make a difference, you know what I mean? Whereas if you do a video that could actually help a charity to raise a lot of money at a fundraiser or something like that. I think it could be far more beneficial.

**But you're a small company. Do you think that you could really make a difference? As opposed to like Pick 'n Pay could donate ten million rand...**

I think the difference that we can make is while Pick 'N Pay can just sort of give ten million rand, and stuff like that and call it a day, our products will have more lasting value. We can create sales tools for charities to use at fundraisers to try and raise more money and stuff like that. So it has far more longevity, stuff like that...than just giving money out. It's more of a tool than anything else.

**So it would be exponential?**

Ja.

**How does it make you feel in terms of The Agency. Does it make you feel particularly good about The Agency, that they do charity work? Are you indifferent to it...Does it have any effect on you? As somebody who works at The Agency?**

Seeing the videos has an effect on me because a lot of them are very emotional, very well done and stuff like that. We did a video a while ago for Nkosi's Haven. It's honestly my favourite charity video. Juan who no longer works here actually did it. Absolutely phenomenal. The thing is the kids were so happy, but it's such a sad thing, that it makes



you feel that although they are stuck in the predicament that they're in, they're happy to be living. You know what I mean? To have such a far-reaching effect. The video itself is brilliant, but I think...I don't know how they used it eventually, so I don't know what impact it actually had, so I can't actually tell you that.

(Another speaker comments here): But I can tell you one thing, it had a profound effect on us.

**That's what I'm interested in actually, the effect it had on you...**

It does make me feel good about The Agency because I've worked here on and off for like seven years now. I take sabbaticals every now and again. I go and work for other companies for about a year and then I come back.

**Like what other companies?**

I've worked for ManMedia, and I've worked for...

**How different is ManMade Media to The Agency?**

The people make it different. Ryan makes a huge difference for me, because I feel that in this company my boss is working towards my benefit, whereas in other companies I feel like it's kind of staff against management.

**Big difference.**

It's a huge difference and the thing is I know that although I work hard and stuff like that, I enjoy myself, we constantly try and do new things. We're constantly having fun and it's not corporate. You know what I mean? Your boss is looking out for your best interests, and I'll tell you that...[deleted] well I'd better not say this while you're recording...the other companies screw you...[deleted] I'd rather not have it on record.

**Okay, we'll take it out...**

The thing is like [deleted] for instance...ja switch it off...[deleted]

### **7.2.2.8. Gareth**

**State your name for the record?**

[Name deleted]

**And what is your job description?**

I'm an editor, going out and...but The Agency's more than editing. I multi-task a lot, because it's a small company you won't just edit, you'll go out and do the shoot, do your plan of action, basically do everything around it and get approval from what we call mentors...our managers here aren't just general managers. They take more mentorship roles and whatever the case is just to make sure we're steered in the right direction and then, the way I work in my job here – I actually go to Ryan for final approval. So he'll oversee everything and then a lot of the time meeting clients, whatever the case.

**Have you done any charity work. Have you worked on any of these projects?**

Yes, I did Yenzani. It's like a children's little village.

**And did you find it rewarding?**

Yes I did. Because seeing what they have, what they need and what, basically they're aiming for, um. Just seeing everybody there – how much they appreciate it and also how the kids appreciate it because we got very involved with the kids as well, and also you know you take the whole The Agency...I almost want to say lifestyle, because I don't want to call it like attitude or whatever...it's more than lifestyle.

**How would you sum that up? If someone had never heard of The Agency.**

Okay. The Agency is a very...it can be a great company for you, it can be a terrible company for you. Because it's a lot based on personality. If you go around the people in the company you will realise that people have a lot in common. Like they – you come across these people and you think they're a bunch of rebels, metal heads, but its actually not. Everybody here has a soft spot. More than I've experienced in any other company. Everybody has got a problem with authority. Everybody just actually wants to be himself, so they don't just want to follow the lead, they want to make a mark. When you go to other companies you will find that 90% of the people are like sheep, they follow and five percent are the people who actually push and the other five percent don't actually know what their direction is. Here everybody wants to push, everybody actually wants to get somewhere. That's the inspiration behind like what I call the lifestyle, because when you walk in here you have to have a certain attitude and it's not something you can fake. You either are it or you're not. It's something inside you that Ryan looks for. So when he employs people he does not employ people for skill, at all. You can learn anything, you can't learn attitude. That is what he does. I mean he can, if he takes somebody, I can only motivate a certain type of person, I don't know how to relate to another type of person. That is how I figure out Ryan employs. He employs people that he can relate to because at the end of the day, The Agency is a family.

**Wow, that's quite a statement.**

(Interrupted)

### **7.2.2.9. Tara**

**What do you know about the charity work at The Agency, if anything?**

I know that we do quite a few charities, try to do them quite often as well. I have worked on one. I did the cow parade, the CHOC cow parade – I did the – I helped one of the video editors with the presentation of the cows.

**So it's always videos?**

No, not always videos, there's presentation and videos for the charity.

**And what do you do?**

I do the presentation stuff, PowerPoint, Photoshop.

**So if a charity needed that...**

Ja, they were auctioning off the cows, the cows were being auctioned for charity – for CHOC – and they gave us all the images of the cows and I had to deep etch them and put them into PowerPoint so that the slides could roll so they could see all the cows on the screen...

**And do you know if what you did helped them raise money?**

As far as I know it did.

**Did you have any feedback from it?**

Well Deanna actually dealt more with the client than I did, but they were like very impressed – and I've seen the cows like everywhere at least – so I'm assuming it worked!

**So how did that make you feel, I mean did you feel different about doing that work than doing just normal work for Standard Bank or something like that?**

Ja, I suppose so because you are doing something for people who actually need it whereas like Standard Bank they don't really need the help and stuff.

**And why do you think The Agency does charity work?**

No idea.

**No idea?**

We always have that's just...

**How long have you been here?**

This is my third December.

**Oh wow.**

Ja, so it's just over two years – because I started at the end of the year.

**Okay, just to side track a bit – in terms of staff turnover – how many people leave? I know Ryan mentioned at one stage a lot of people left...**

Ja.

**Did you arrive after that?**

No I arrived just before that.

**Okay – so tell me about that?**

I arrived in the September – October time and like February - March everyone just LEFT.

**Why?**

Everyone had their own personal reasons – I actually have no idea.

**Oh – okay so it wasn't something specific?**

Mm-mm.

**And then you got a whole lot of brand new people?**

Ja, we got a bunch of new people, some...Jake's left and come back, left and come back, Jeff's left and come back, um...

**There's a lot of that?**

Yeah.

**Who else?**

Most of the people here now are pretty new – like – I'd say within the last year.

**Oh okay. And...I've noticed that everyone kind of likes the same kind of music?**

Mm.

**Would you say that's accurate?**

Ja, and if you don't, tough – you just have to listen to it!

**How many people don't?**

I actually haven't found anyone yet. No, seriously everyone here listens to that – I mean obviously like you go home and you might want to listen to something else but... here everyone listens to pretty much exactly the same music.

**And do people go out – do they socialise, I mean we were out the other night...**

Mm-hmm.

**How often do people go out together outside of work – are you friends?**

We used to do it a lot – personally I'm trying to get away from that because it just causes issues, ja, my boyfriend used to work here – my ex – Ja.

**Oh I didn't know that?**

Lou, like many years ago.

**Did you work here at the same time?**

Ja it was like too much – everyone knows everyone's business you don't have to write that in!

**No fair enough – it's a small company.**



It is a small company – we do socialise quite a lot like altogether, but not as much as we used to though like at the beginning – I think a lot of people are like now – well especially me – trying not to have your work and your personal life as one.

**Is it fun working here?**

Definitely – it's very fun.

**Where else have you worked?**

Um.

**That you can compare it to?**

Nowhere.

Oh.

Okay – I worked like as a receptionist in a corporate company that type of stuff...

**Very different to here?**

Ja – it's very different – it's fun – you can be yourself here which is very cool.

**So, if I had to ask you what do you really like about working at The Agency – would that be the thing – that you can be yourself ?**

Mm.

**If you're the kind person who likes this type of music mind you.**

No no no – anyone can be themselves here.

**Everyone seems so young – how old are you?**

I'm twenty six.

**Everyone's like twenty – twenty five, what's up with that?**

Just the way it happened – so far as I know – I've no idea.

**Have you learnt a lot of skills?**

Oh definitely.

**Could you do what you're doing now when you started?**

When I came here I didn't know PowerPoint at all, didn't know Photoshop at all and Ryan gave me the opportunity to come and learn it – and I've learnt it and now I've learnt a lot.

**Do you think when you do good work you'll be rewarded, promoted?**

Mm.

**So you feel your efforts are recognised?**

Oh yes, definitely.

**Okay – is Ryan kind?**

He is ja – he's a nice guy.

**Is that how you describe him – a nice guy?**

No I do – I really like him he's an awesome person to work for.

**Tell me why?**

I don't know he just, I can't explain it – he just, he just is – he's fun – he makes stuff fun, he always tries to make the office like you know I'm sure you've heard about the syphilis that we do – that's a new thing but we like always do.

**How new?**

I think we started it this year...

**Oh, okay.**

Yes so it's new, but I mean even before that he tried to make like fun stuff – like kind of fun day – like Halloween we all dressed up for Halloween last year, not this year – but ja try and make it fun make it like it's not always just work, work, work all the time – there's fun thrown in.

**How hard do you think – how hard do you work compared to other companies – do you think The Agency people work a lot harder than other companies?**

We do work very hard.

**So you need to have fun.**

Yes – we work hard and we play hard...

**Do you work weekends?**

If we have to.

**Did you work this weekend?**

I can't remember.

**No, you were out drinking.**

Yes, I was out drinking! I worked the previous weekend – not the whole weekend just the Saturday.

**Would you say it's once a month you have to come in on the weekend maybe?**

Ja – now – like in the beginning we used to work a lot of weekends – but now we like trying to cut out working too late and working weekends – unless you have to, have to work on weekends then you mustn't...

**And what is your best syphilis so far – what was your favourite?**

I don't know – honestly I have no idea they have all like been different.

**Tell me about one?**

About one – well Jake's one we went to Kai Thai village and we had Thai massages and it was great and lunch – which was really cool – and then for James's syphilis we had blow-up jumping castles and waterslides and stuff and that was really fun.

**When's yours?**

I did mine last – beginning of the year – but I wasn't even here so...

**What was it?**

I don't know – I wasn't here for it.

**Did someone else do it for you?**

Yes well I gave it to Jade – I think everyone – oh Kai Thai.

**So you can donate it?**

No, I was on a gig – so my name got picked and I wasn't here for it so I said to Jade please just do something for the guys for me – so she got them Kai Thai and every one had pizza.

**Have you got an idea for your next one?**

No.

**But it could happen any time?**

Exactly!

**It's R2 000 – is it?**

Ja.

**Okay – and how many people work here?**

Um twenty .....twenty – including Muzi and Anele. Twenty in the office and we've got... he's in Cape Town and Wayne in Durban ja and that's it – twenty two in total but twenty in the office – ja.

**Do you know what The Agency's plans are for the future – like the where the company sees itself in five years time?**

Nope.

**No idea?**

No idea.

**Where do you think it should be?**

No idea. I'm just living like a day at a time – honestly that's what I do. I don't look at the future anymore – it just causes trouble.

### **7.3. Video Footage: Attached on two DVDs (filmed and produced by “TATV” - The Agency TV)**

#### **7.3.1. Videos Made of Themselves Having Fun**

##### **7.3.1.1. Air Guitar Contest:**

A team-building exercise in which staff pretended to be rock stars. This was filmed in the company’s offices one afternoon.

##### **7.3.1.2. Cheerleader Dance-off:**

A video of the events ensuing after staff members who had been at The Agency for a number of years challenged the newer staff members to a cheerleading contest. This was also held in the office.

##### **7.3.1.3. Goodnight Sweetheart:**

A video created to congratulate a client on the birth of his daughter, Leah. There is no child in the pram that the staff are serenading.

##### **7.3.1.4. Slope Madness:**

A team-building exercise held on an artificial ski slope in Johannesburg.

##### **7.3.1.5. Office Fear Factor:**

A team-building exercise in which various staff members were challenged to eat worms, endure electric shocks and swallow chillies whole. The contest is based on a popular TV series “Fear Factor”, where contestants are challenged to face their worst fears.

##### **7.3.1.6. Buttercup:**

A video showing The Agency team and some of their clients performing a song while working on a project together.

##### **7.3.1.7. Babes of The Agency:**

A video showing the three women employed at The Agency at the time (one no longer works there) in various glamorous poses.

##### **7.3.1.8. Fast ’n Furiest:**

A video showing the male staff of The Agency dressing up in women’s clothing and running a relay race across the parking lot outside the office.

7.3.1.9.Barber Quartet:

Another congratulatory video made for the parents of newborn Leah.

7.3.1.10. Kgabo's Leaving:

A video made to celebrate the contribution of a member of staff, Kgabo, who left the company to pursue his studies.

7.3.1.11. Muppet in Mayhem Episodes 1 - 3:

A video series produced purely to entertain staff, which centres around the kidnapping and torture of a soft toy belonging to the office administrator.

7.3.1.12. Muppet in Mayhem Interview:

The two staff members (motion graphic artists) who produced the series interview themselves and the soft toy as if they were movie stars.

7.3.1.13. Da Brokeback Cowboys

A video depicting a team-building activity in which The Agency team rides on "bucking broncos".

## **7.3.2. Videos Made to help Charities Raise Funds**

7.3.2.1.Yenzani Charity Video:

A video made by The Agency staff to raise funds for a children's home

7.3.2.2.Heartbeat Charity Video:

A video made to raise funds for orphans (most of whom lost their parents to HIV/AIDS).

7.3.2.3.EmployAbility Charity Video: A video made to raise funds for an organisation which trains and finds work for disabled people.



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