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The competitive advantage of corporate philanthropy

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A research project submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of Master of Business Administration.

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To competitively operate in an environment where even the basic social needs of the population are not met, it makes business sense to uplift the stakeholders that form part of the business environment. With approximately five and a half billion rand spent on philanthropic activities in 2010 alone, it is important that this spend translates into a competitive advantage for the company.

The purpose of this study was to explore the concept of philanthropy as understood by companies. Further to that, the intention of the research was to understand how engaging stakeholders, utilising resources available and the intention of the giving by the key decision makers, contributed towards achieving the competitive advantage of the company.

Qualitative research in the form of interviews with the key decision makers in the companies in respect of giving was used for data gathering, along with secondary data in sustainability reports to support findings.

The research found that competitive advantage can be gained by using corporate philanthropy as a tool. The paper proposes a framework based on the core theories that can be referenced to assist decision makers in determining which areas needs to be improved, in order to raise the competitiveness of the company by means of corporate philanthropy.

Competitive advantage, philanthropy, corporate social investment, stakeholder management, Resource Based View.

Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University.

I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Shubnum Nazeer Date

The decision to embark on the MBA journey has been the most challenging and yet tremendously exciting step towards the pursuit of personal excellence.

For affording me the opportunity to pursue this journey I would like to express my sincere gratitude to the following people for their guidance, love and support throughout this journey.

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- To my late father, thank you for the person that you have made me. Without your love and guidance I would never have even accomplished this much. I miss you dearly and will always love you.
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1.1 Research title

The competitive advantage of corporate philanthropy

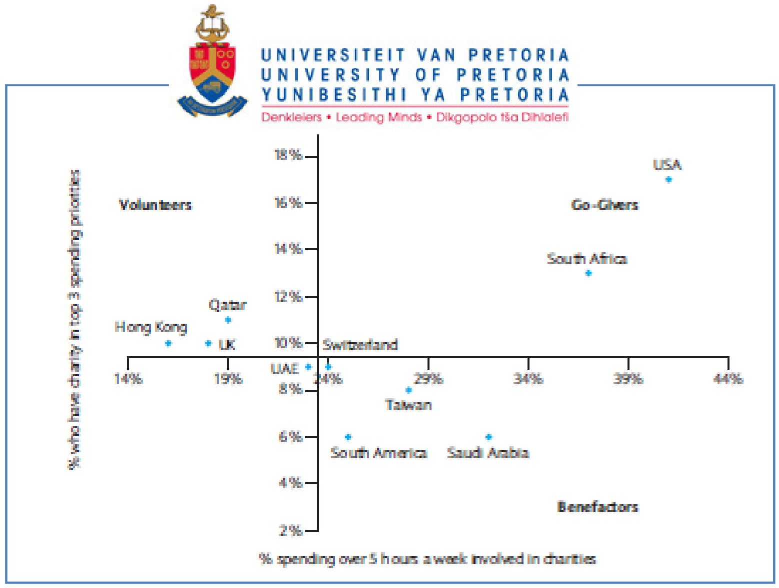
1.2 Introduction

The shift towards strategically motivated giving has become more prevalent in the last few decades. Not only are the benefits to society considered, further benefits to the firm are being realised (Maas & Liket, 2010). Several debates surrounding social responsibility ensued following the much quoted comment by Friedman in the New York Times in 1970. He boldly stated that corporate social responsibility spend will be to the detriment of the economic value of a firm and has been cited as the critic's view of the subject in several articles on corporate social responsibility (Rumsey & White, 2009; Choi & Wang, 2007; Seiffert, Morris, & Bartkus, 2003; Lev, Petrovits, & Radhakrishnan, 2010).

Porter and Kramer (2006) argued that philanthropy and the enhancement of the bottom line do not have to be competing and distinct objectives, but work to achieve collaborative objectives. They affirmed that producing the correct decision on who to focus on when giving, will result in a competitive advantage to the company and as a result to the economic value of the company using a context focus approach. This implies that the giving should be focused in the business environment in which the company operates.

With the total corporat [illegible] pend for 2008/9 equal to R5.1 billion (Trialogue ,2009), and giving increasing in South Africa to R5.4 billion in 2010 (Trialogue, 2010) despite the recession (King, C., 2010), it is imperative that corporate philanthropy decisions are made strategically and by the correct individuals to be channelled to those communities that can get the maximum benefit for both parties.

A 2010 survey of two thousand high net worth individuals around the world revealed that South Africans are in the top five countries which are leading the way with philanthropic donations in terms of time and money (Figure 1) (Andersen, 2010). The survey identified two groups of givers in terms of time and money who were called benefactors and volunteers respectively. South Africa, along with the USA, India and Ireland, was plotted in the top section of the 'Go-Givers' quadrant, which depicts a combination of time and money donated. This stems directly from the deep seated and heartfelt philosophy of *Ubuntu* (Andersen, 2010), which means to care for one's fellow human being and is based on generosity and altruism. *Ubuntu* emphasises the reciprocity and mutuality of human relations and the belief that respect should always be reciprocated. This is part of old African philosophies (Ndhlovu, 2011).



Source (White Paper by Barclays Wealth, 2010)

Figure 1 - Charitable Engagement (Andersen, 2010)This needs to go below the graphic

A McKinsey Quarterly Report (Bonini & Chenevert, 2008) surveying 721 executives from around the world, stated however that the focus of corporate philanthropic decisions are made mostly taking employee interest and personal interests of the decision makers into account and are not necessarily aligned to business needs.

The way in which social spending is allocated, captured and reported is also changing, and it has become more complex to track CSI expenditure. In the last eight years, new regulations have had a substantial impact on the CSI sector. Between 2002 and 2004, several industry charters, including the Mining Charter, the Petroleum and Liquid Fuels Charter, the Financial Sector Charter, the Construction Charter, and the Information and Communications Technology (ICT) Charter, came into effect, setting varying social spending targets as a licence-to ese industry sectors. The charter process laid the groundwork for new regulations which have served to entrench CSI as a formal part of the corporate sector's contribution to broad-based transformation (Trialogue, 2010).

A review of the sustainability reports of Woolworths, Standard Bank, Absa and Barloworld (companies on the Johannesburg Stock Exchange's (JSE) Social Responsibility Index (SRI)), all claim to be giving progressively in line with the strategies of their companies in order to gain maximum advantage from philanthropy. It is the intention of this research to understand if the companies on the best performers list on the Johannesburg Stock Exchange's (JSE) Social Responsibility Index (SRI) which elected to respond have achieved this through their philanthropic activities.

1.3 Research purpose

Whilst job losses worldwide have decreased, certain developing economies like South Africa, which does not have a comparative skills advantage, has seen an increase in income inequality with a Gini coefficient of 57.8, overtaking Brazil's 53.9 (World Bank Publications, 2010). South Africa's current social and political climate demonstrates that government alone cannot create a significant positive impact on addressing societal needs (Hamman, 2006).

Whilst the supply of ba[illegible]city and health care have improved, many challenges remain (Burger, 2010), such as unemployment at 24% (Statistics SA, 2011).

The purpose of the research is therefore to determine whether corporate philanthropy can result in a competitive advantage for firms in South Africa, and whether the giving is being conducted strategically. Specifically, this research will look at the literature on the subject in order to understand the processes business currently uses to gain competitive advantage. The main focus will be predominantly on resource allocation and stakeholder engagement to determine if these processes follow through to the companies' giving activities.

If there is a competitive advantage to be gained by giving, large companies can perhaps then motivate the increase in the so-called 'discretionary spend', where there is usually no need to do so. This research will then hopefully be added to the growing literature on the subject in order to aid businesses in decision-making around philanthropy to facilitate companies to give in a more strategic manner that benefits both business and society.

It is argued that utilising the company's competitive advantage to enhance society can aid in strategic philanthropy, contributing to the answer to societal inefficiencies (Miron, Petcu, & Sobolevschi, 2011). Others conform to the Friedman school of thought and believe that philanthropic activities by companies are a distraction from profit maximisation (Ndhlovu, 2011).

Philanthropy should be seen as an investment - not as a charity which is short term and unsustainable (Ndhlovu, 2011). Investment decisions should be made with efforts to improve the social and economic objective of communities to remain sustainable and beneficial for a long period. Each company should determine their competitive advantage to motivate their decisions as to who should benefit from corporate philanthropy. These motives need to be assessed to gauge how and why the beneficiaries are selected and what benefits the company and communities receive from the decisions made (Green, 1990).

The corporation is a legal entity, managed by people who act as agents for the firm's owners, the shareholders (Sasse & Trahan, 2007). By providing jobs, investing capital, purchasing goods and doing business every day, corporations have a profound and positive influence on society (Porter & Kramer, 2006). Companies are called on to address hundreds of social issues, but only a few represent opportunities to make a real difference to society or offer a competitive advantage. Whilst companies cannot be responsible for all the not have the resources, neither does government. Therefore by working together through philanthropic initiatives, they can provide a greater benefit to society.

How to measure the value and results of corporate philanthropy remains one of the corporate givers' main challenges (Lim, 2010). Several studies have been conducted to demonstrate the link between corporate philanthropy and corporate financial performance (Halme & Laurila, 2009; Maas & Liket, 2010; Seiffert, Morris, & Bartkus, 2003; Campbell, Moore, & Metzger, 2002; Lev, Petrovits, & Radhakrishnan, 2010). Many of these have yielded inconclusive results as causality cannot be determined due to variable factors (Choi & Wang, 2007). According to further research, it appears that doing good is excellent for companies, but under certain circumstances it seems that charitable giving appears most effective in enhancing revenues in consumer sectors such as retail and finance (Lev, Petrovits, & Radhakrishnan, 2010).

Therefore these circumstances need to be understood in order to determine the strategic mix that is effective in order for the company to gain from corporate philanthropy. It is important to determine who leads the philanthropy (company or employees), what is donated (products, time or money) and to whom the activity is targeted (company target market or the general public) (Namin, Cho, & Lee, 2010). Once this is determined, the effectiveness of the philanthropic activities related to specific business goals such as market share gains, product differentiation and smart promotions needs to be assesse [illegible] nhances the competitive advantage of the firm (Miron, Petcu, & Sobolevschi, 2011).

Frequent discussions in the MBA class usually centre on how business can play its role in improving the country. According to the King 3 report for governance, companies are being called on to be good corporate citizens. This means that the company is looked on as a person and needs to behave in a sustainable manner. Sustainability is rooted in the South African Constitution and is a basic social contract that South Africans have entered into (IODSA, 2009).

Corporate contributions are seen more as corporate citizenship, with the aim of making a significant positive contribution towards improving social, economic and environmental conditions in Africa (Visser, 2006). With philanthropy on the rise in South Africa (Andersen, 2010), understanding the benefits of focused giving can entice decision-makers in business to focus their giving in more strategic ways. It is important however to recognise who makes the decisions, what these decisions are, and who the beneficiaries are as a result of these decisions (Namin, Cho, & Lee, 2010). It is also important to identify the benefits of focused strategic philanthropy on not only the corporates, but also the communities that are served.

The motivation for the research is thus to display that by allocation of scarce resources to the stakeholders that yield the most influence in terms of gaining competitive advantage for the company, that this focused and strategic giving can then create a competitive advantage for the company.

1.5 Research obje

The aim of the research, therefore, is to:

1. Understand the concept of philanthropy in the South African context.

The term philanthropy is rarely used in the sustainability reports of the respondent companies, therefore the researcher attempted to understand what this concept meant to the decision-makers.

2. Find evidence of the Stakeholder Theory in the company's philanthropic activities.

The researcher attempted to explore if resources are utilised strategically as per the need of the most powerful stakeholder.

3. Explore if the Resource Based View in terms of the allocation of people, time and money to philanthropy contributes to the competitive advantage of the company.

The researcher investigated the mix of resources which are allocated to philanthropy and how this is determined. Furthermore, if this contributes to the competitive advantage of the company by understanding what the competitive advantage of the company is.

4. Explore if the … when deciding on where to give.

The researcher asked questions around the structures and measures in place to determine if there were set processes used to determine if the strategic objectives of the company were considered when deciding on where to give.

5. Ascertain if there was a relationship between the competitive advantage of the company and corporate philanthropy.

The researcher assessed if a relationship existed by questioning the decision-makers on their views and furthermore looking at the sustainability reports for further evidence. Therefore qualitative assessment and content analysis of the interviews and sustainability reports was used to determine if this exists.

2. Literature revi

2.1 Introduction

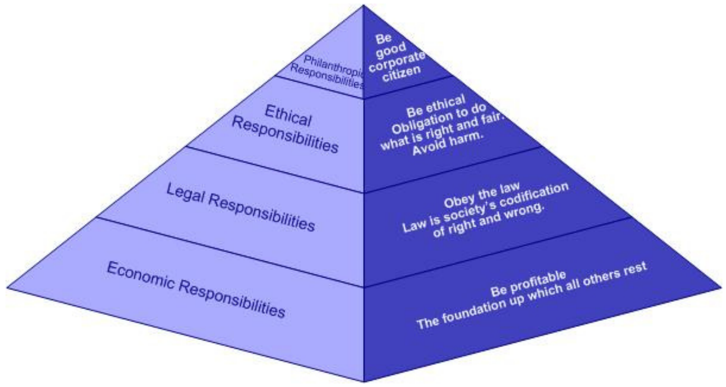
This section begins with a brief summary of the theoretical bases that have been proposed for corporate philanthropy. The most popular theory bases assigned to corporate philanthropy when looking at competitive advantage are the Stakeholder Theory (Seiffert, Morris, & Bartkus, 2003), Agency Theory (Choi & Wang, 2007) and the Resource Based View (Maas & Liket, 2010), all of which will be looked at in greater detail in the literature review.

2.2 Corporate philanthropy defined

Corporate philanthropy is a term that as per Porter & Kramer (2002) , is poorly defined as any kind of charitable activity that has some definable theme, goal, approach or focus. Consumers' growing expectations of companies make corporate philanthropy more important than ever, with companies that are doing well in meeting their social goals or stakeholder expectations taking a more strategic approach (Bonini & Chenevert, 2008).

Corporate philanthropy falls under what is termed 'discretionary corporate social responsibility' (CSR), in which philanthropic and business goals are seen as mutually enhancing (Rumsey & White, 2009). According to Carroll (1991) (Figure 1), philanthropy can be represented at the top of the 'pyramid of social responsibility' (Maas & Liket, 2010) and therefore last in the hierarchy of importanc[illegible]s, 2003). Since corporate philanthropy is seen as largely discretionary and voluntary, it is not seen as the most important part of CSR (Griseri & Seppala, 2010). This positioning however leaves some room for debate, as corporate philanthropy should be seen as a vital element of being a good corporate citizen (Maas & Liket, 2010). Visser (2006) argued that whilst philanthropy is not the most important aspect of CSR, it is however second to economic responsibilities in developing countries. He went on to say that in developing countries the socio-economic needs are great, therefore philanthropy and being a good corporate citizen is seen as the right thing to do. Companies cannot succeed with the societies around them failing and can directly benefit the communities around them (Visser, 2006).

The primary forms of corporate philanthropy are cash donations given directly to charities; in-kind gifts of a company's products, services, use of facilities or managerial expertise; and cash donations given indirectly to charities through, for example, a corporate-sponsored foundation (Seiffert, Morris, & Bartkus, 2003).



Carroll's CSR Pyramid

Figure 2 – Carroll's corporate social responsibility pyramid

The term used in South Africa for giving is 'corporate social investment' (CSI) and is an investment in human and social capital (Trialogue, 2010).

2.3 Agency Theory and the motivation behind the decision to give

Noted as long ago as 1776 by Adam Smith, the agency problem relates to the agent (someone you pay to carry out services on your behalf) who is unlikely to care as much over the area that they are entrusted with as the person who actually owns it (Griseri & Seppala, 2010).

Whilst corporate philanthropy can be an effective tool for companies that are trying to meet consumers' rising expectations, Porter and Kramer (2002) stated that the majority of contribution programmes are diffuse and unfocused, and contributions made often serve the beliefs of the executives or the employees instead of strategic business or social choices (Porter &

Kramer, 2002). In add[illegible]mpanies used the same frameworks that guide their core business decisions, they could find that more than a charitable deed, corporate giving could be a source of opportunity, innovation and competitive advantage (Porter & Kramer, 2006).

Furthermore they stated that businesses must reconnect company success with social progress and create shared value. In so doing, new avenues can open up to serve new needs, gains in efficiency can be experienced, differentiation created and markets expanded. While not all societal problems can be solved reconnecting business and society, this provides the opportunity for companies to utilise their skills, resources and management capability to lead social progress better than government can (Porter & Kramer, 2011).

This is restated in research undertaken which affirms that philanthropic activities have resulted in financial gains to the company, as well as innovation in bottom of the pyramid products (Halme & Laurila, 2009, Maas & LIkert, 2010, Campbell, Moore, & Metzger, 2002).

A leading hypothesis around executives giving in self-interest relates to Agency Theory (Card, Hallock, & Moretti, 2009), where managers divert shareholders' wealth to satisfy their own interests and personal benefits, like community recognition and access to cultural events. The premise underlying Agency Theory is that firms exist to maximise the wealth of shareholders and other stakeholders are that they are instrumental in maximising shareholder wealth (Seiffert, Morris, & Bartkus, 2003).

The study by Campbell, Gulas, & Gruca (1999) shows that firms that give reflect the personal attitudes of the decision-maker and the firm's giving behaviour. This study confirms that decision-makers are driven by virtue ethics (Griseri & Seppala, 2010) and do not consider business motives when giving. Further research claims that philanthropy is undertaken for a variety of reasons that could be either business enhancing or purely altruistic. In terms of business reasons, the reasons could be goodwill engendered from contributions, cost reduction from disposal of excess goods or tax deductions (Green, 1990). When considering altruism as a reason for giving, this is driven by virtue ethics where the decision maker's social consciousness is very high (Campbell, Gulas, & Gruca, 1999).

Choi and Wang (2007) found that managers that are high in values of benevolence and integrity are more likely to spread their concern for the welfare of others. Even though these managers do not derive any personal benefits, the Agency Theory can still be applied as the basic argument of Agency Theory is that top managers desire the fulfilment of their own needs at the expense of shareholders.

However the McKinsey Survey of 2008 where 721 executives were surveyed confirmed that 90% of business seeks benefit from their philanthropy programmes. The goals they want to achieve are enhancing corporate reputation and brand. d that funding should be aimed at least one new business opportunity (Bonini & Chenevert, 2008).

Corporate philanthropy initiatives are decided on to improve a company's image, brand, improve employee morale and perhaps influence the stock price. The study in Knoxville, Tennessee, in the United States demonstrated that a framework emerged which was used to assess the general dynamics of corporate philanthropy. This extends the notion of Stakeholder Theory which highlights the relationship the firm has with employees, customers, shareholders and suppliers (Rumsey & White, 2009).

Recent studies in Norway revealed what should motivate managers to pursue philanthropy, as opposed to what actually motivates them to pursue corporate responsibility (Ditlev-Simonsen & Midtun, 2011). According to the research, high priority is given to brand, value maximisation, stakeholder management, profit maximisation and cluster building, with medium priority given to sustainability and low priority given to innovation, ethics and morality. What the research states is that high priority should be given to sustainability and ethics, along with branding, value maximisation and stakeholder management.

The importance of different actions lies in the ability to influence financial and societal outcomes, i.e. making donations to improve the environment, poverty reduction, launching new business models that give the poor access to affordable products that will solve their problems, eco-efficient products and services that benefit the [illegible] sts to the company. These decisions can influence stakeholders so as to improve the financial performance of the company instead of just being altruistic and self-interested, so that not just societal outcomes are achieved but business benefits as well (Halme & Laurila, 2009).

The researcher will aim to understand the motivations behind South African companies' giving behaviour, to determine if giving is motivated by business or by altruism. The research conducted thus far has differing points of view. Agency Theory in terms of philanthropy where the philanthropy is regarded as strategic may not be relevant since the significance brought about by giving strategically can then have positive effects on the firm's financial performance (Choi & Wang, 2007).

With Stakeholder Theory, the needs and demands of diverse actors with conflicting purposes that have a legitimate claim on the firm are taken into account, to create value for the firm (Harrison, Bosse, & Phillips, 2010). The power and legitimacy of the stakeholders that are impacted by the actions and decisions of corporate philanthropy will be an important determinant of the motivation of the manager in making the decision on where to give.

Making the incorrect decisions and overestimating the competence of business can cause harm if viewed by society as insincere and therefore counterproductive (Sasse & Trahan, 2007).

A firm has a competitive advantage when it implements a strategy competitors are unable to duplicate, or find it hard to imitate, and has the ability to outperform is rivals (Ireland, Hoskisson, & Hitt, 2009). To gain a competitive advantage is to choose a unique position and do things differently from competitors that lowers cost or serves the customer's needs better. (Porter & Kramer, 2006).

Competitive advantage is sustainable when valuable resources and processes are difficult to imitate by other organisations and by making it difficult for other firms to identify their distinctive competence (Cummings & Worley, 2009). Furthermore, Cummings and Worley (2009) went on to say that not only can they raise costs for their competitors due the company's efficient practices, but retaining key human resources can be also be a competitive advantage. The success of the competitive strategy therefore needs to be unique, valuable and difficult to imitate.

A representation of possible advantage gained by companies is depicted in a table in Appendix 3. This has been derived from the literature to display how competitive advantage is perceived when related to the possible gains from engaging in philanthropy at a corporate level. This was used to compare the literature findings to the research findings in Chapter Six.

Companies can use their charitable efforts to improve their competitive context (Porter & Kramer, 2002, McAlister & Ferrel, 2002). Using philanthropy to enhance context brings social and economic goals together and improves the business' long-term prospects. This is especially relevant in a developing economy where the social needs of the people need to be catered for in order to stabilise the economy and communities. Once economic stability is achieved, the loyalty and trust of those served by the philanthropy can translate into future business in terms of future consumers and employees for those companies.

Not all corporate expenditure will bring benefit, nor will every social benefit improve competitiveness, but there is a point where there will be a convergence of interest where social and economic benefit can be achieved. (Porter & Kramer, 2002). Hillmand and Keim, cited in Li & Toppinen (2010) stressed that competitive advantages are relationship orientated and are influenced by the key stakeholders in the firm. Prahalad, cited in Li & Toppinen (2010) stated that these strategies can simultaneously serve the poor and make profits.

The theoretical framework for competitive advantage adapted from Li & Toppinen (2010) shows that a combination of reducing costs and risks, differentiation through intangible assets, access to markets and finance, and maintaining corporate legitimacy, will result in improved efficiency and technology, organisatic ent of innovations, which will in turn result in corporate sustainable competitive advantage.

Weber (2008) further complemented this with research around corporate social responsibility, that demonstrated that business benefits that can be gained in five main areas, namely: 1) company image and reputation, 2) employee motivation, retention and recruitment, 3) cost saving from substitution of materials, improved contacts, 4) revenue increases from higher sales and market share, and 5) risk reduction and management. This however related to benefits from corporate social responsibility (CSR) as a whole and not specifically to philanthropic activities undertaken by the firm. Furthermore, the research was conducted in the US to complement research on competitiveness displaying that CSR does pay off (Burke & Logsdon, 1996).

2.6 Resource Based View

The resource-based view (RBV) argues that firms that develop valuable, inimitable, rare, and non-substitutable capabilities will outperform their competitors (Allred, Fawcett, C.Wallin, & Magnan, 2011). This “static” view of the Resource Based View has expanded to focus on how a firm integrates and deploys its resources. Resource possession is a necessary but insufficient condition for competitive advantage. Sufficiency arises based on how the firm organises to exploit its resources to create unique capabilities and value (Allred, Fawcett, C.Wallin, & Magnan, 2011). Seifert, Morris and

Bartkus (2003) argue[illegible]ity can adversely affect philanthropy, as this is usually funded by free cash flow and discretionary funds. If there is little resource slack in the business, less time and money will be contributed towards philanthropy, as volunteering during company time can be viewed as a waste of resources which is incompatible with the financial objectives of the firm (Brammer & Millington, 2005).

Resources can be tangible (fixed assets, capital) and intangible (knowledge, talent, brand, image, reputation). Reputation building and a favourable image can affect the way lending institutions view the firm and can be used as a substitute for advertising and marketing campaigns, whereby the sales force will have easier access to customers (Williams & Barrett, 2000). However ‘greenwashing’ becomes a potential side effect where companies give towards worthy causes to cover up criminal or unsound activities (Koehn & Ueng, 2010). Certain petroleum, retail and financial companies in South Africa have been accused of ‘greenwashing’, which is seen as unfavourable practices aimed at misleading consumers regarding environmental practices or benefits of a product or service.

Further to the Resource Based View, corporate philanthropy can build a company’s brand, image and reputation, and create a differentiation advantage and increase revenues through customer loyalty. Therefore it will be useful to determine if businesses make use of the Resource Based View in terms of philanthropy to enhance competitive advantage of the company.

Stakeholders are groups or individuals who can affect, or are affected by, the strategic outcomes of the firm (Harrison, Bosse, & Phillips, 2010). Stakeholder Theory, according to researchers, takes into account the social and political environment in which the company operates. This is important for the competitive position of the company based on the claims and expectations of various social and political actors (Griseri & Seppala, 2010). Figure 3 illustrates an overall view of stakeholders. A company is usually the centre of a complex network of stakeholders. Stakeholder Theory argues that the company welfare is maximised by meeting the needs of the firm's important stakeholders in an advantageous manner. Stakeholder Theory has been not just about societal issues, but about real customers, suppliers, investors, employees and communities, and integrating and sustaining these relationships as part of a community with a common sense of what is valuable (Wheeler, Colbert, & Freeman, 2003).

A firm that manages for their stakeholders creates a source of sustainable competitive advantage. Knowing and understanding the needs of the stakeholders can further enhance the Resource Based View, as the firm's decision-makers will know how to allocate resources due to a knowledge of all stakeholders' needs (Harrison, Bosse, & Phillips, 2010).

Identifying the key stakeholders who can thwart or provide support towards the success of the company is imperative. Once identified, a map of their influence and their rel provide companies with information about which groups need to be most influenced, based on their sources of power (Cummings & Worley, 2009).

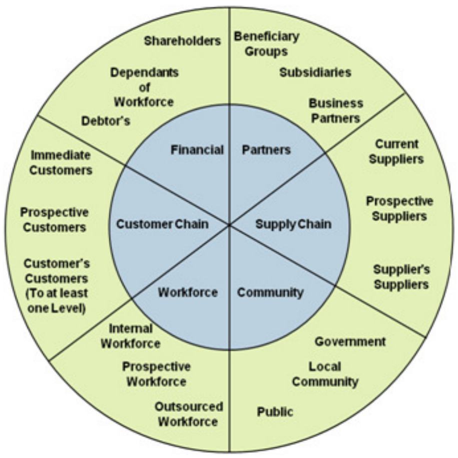


Figure 3 – Possible stakeholders groups (Progressive Business Development , 2011)

There are several stakeholders that could be impacted by philanthropic activities and a review of the sustainability reports confirm that the stakeholder groups are diverse and differ from company to company. The above diagram depicts the possible stakeholder groups that could be impacted.

Surveys have shown that while the first priority of stakeholders of a company is the quality of the company's products or services, the second priority is the trust and confidence that the stakeholders have in the company. Although the board is accountable to the company itself, they should not ignore the legitimate interests an [illegible] eholders. In the board's decision-making process, the inclusive approach to governance adopted in King 2 dictates that the board should take account of the legitimate interests and expectations of the company's stakeholders in making decisions in the best interests of the company. (IODSA, 2009). King 3 follows an inclusive stakeholder approach, whereby the legitimate interests of all stakeholders are considered and recognised over and above the sole interests of shareholders, in a manner which benefits the long term sustainability of the entity.

Stakeholders need three characteristics to become important to organisational decision-makers, namely power, legitimacy and urgency (Seiffert, Morris, & Bartkus, 2003). Stakeholders derive their power from a mix of resources which can be formal, economic and political power (Griseri & Seppala, 2010). Formal power is the power of the stakeholder to affect corporate policy and behaviour and is usually possessed by investors and government. Customers and suppliers have economic power. Political power arises from the position the stakeholder holds in society, for example the media and civil society groups (Griseri & Seppala, 2010).

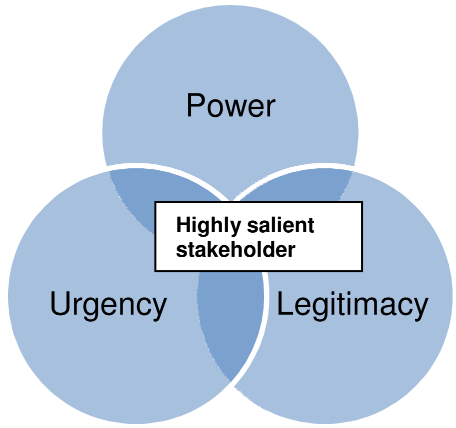


Figure 4 - Stakeholder Theory (adapted from (Griseri & Seppala, 2010))

Legitimacy is the stakeholder's relationship with the company and activities needed to work with generally accepted norms and values of society. Urgency of the stakeholders' claim on the company is another way to identify a key stakeholder in terms of time sensitivity and criticality of the need of the stakeholder. A highly salient stakeholder possesses all three attributes at a high level (Griseri & Seppala, 2010) as per Figure 4.

McAlister & Ferrell (2002) stated that from the three attributes, legitimacy has been found to be the most asserted. However if giving is truly strategic, the power of the other stakeholders can be diminished to enhance the competitive advantage of the firm. Cause-related marketing is one strategic tool whereby goods are sold along with a promise of a donation to a philanthropic cause (McAlister & Ferrell, 2002). Cause-related marketing can therefore be used to diminish the power of the buyer as buyers tend to purchase goods relate 1995). Research around ethical consumerism in South Africa further supports this (Tustin & Jongh, 2008).

Benefits to be achieved by giving are volunteering, customer loyalty and increase in customer satisfaction, just to name a few. Volunteering motivates employees and therefore can result in a healthier workforce (Stanwick & Stanwick, 2008). Customer loyalty can improve based on the enhanced reputation and image of the firm. Increase in customer satisfaction can positively enhance revenue growth (Lev, Petrovits, & Radhakrishnan, 2010). Whilst causality has been established, many researchers have failed to show causality between corporate philanthropy and its direct link to corporate financial performance and competitive advantage.

Research by different sources proposes that by benefiting the stakeholder (Harrison, Bosse, & Phillips, 2010), strong managerial values (Choi & Wang, 2007), having a good reputation (Brammer & Millington, 2005), and the size of firm (Seiffert, Morris, & Bartkus, 2003) can all contribute to improving the overall stakeholder relationship, which will in turn improve competitive advantage. However these have all been deemed areas for future research and have not been empirically tested by any of the researchers cited.

Therefore it is important that the relationship and management of the stakeholders should be reviewed in order to determine if managing stakeholder expectations can result in gains in competitive advantage.

2.8 Chapter summary

This chapter provided insight into the various theories and literature on these theories surrounding philanthropy and competitive advantage that can be gained by a company that engages in strategic giving. The next chapter will delve into the research questions that will be explored in this paper.

3. Research que

The theory base displays a vast amount of literature on corporate philanthropy and the potential contributing factors in determining if there is an advantage to be gained. The literature demonstrates popular theories around the philanthropy subject. Therefore the research questions will be in the form of exploratory interviews to determine if there is evidence of the theories and how these theories encourage or deter companies from gaining a competitive advantage by using philanthropy as a means to do so.

The research questions based on the theory are therefore as per below:

1. What is the understanding of corporate philanthropy?
2. Is there evidence of Agency Theory on behalf of the decision-maker when deciding where to give?
3. Is there evidence of Stakeholder Theory when giving?
4. Does the Resource Based View get taken into account when giving?
5. Is there competitive advantage to be gained from corporate philanthropy?

4. Research met

4.1 Scope

The research was restricted to the key (philanthropy) decision-makers of South African companies on the Johannesburg Stock Exchange's (JSE) Social Responsibility Index (SRI) that participated in corporate philanthropy.

4.2 Rationale for the research

The methodology and design of the research required a qualitative approach to gain an in-depth understanding around the choices made to give (Blumberg, Cooper, & Schneider, 2008). A search on Google Scholar and the academic databases that the researcher had access to yielded few results depicting academic work on the impact philanthropy has had on a company's competitive advantage. Therefore this research aimed to provide an understanding of a concept that required exploratory work in the South African context. Qualitative research was necessary to engage the decision makers' expertise and personal views, since insights were required on what decision tools and methodologies, if any, were used to choose these beneficiaries and activities. Further probing revealed whether these decisions were aligned to gains in competitive advantage.

An exploratory study of this nature is not an objective process that can easily be captured by means of an impersonal questionnaire (Clark, 2006). However the researcher thrived [illegible]rom the interview process and preferred to engage with the people behind the decision-making.

It also allowed the researcher to clearly define the purpose of the research. Due to the nature of corporate responsibility and the many terms that are used interchangeably, the researcher was more prepared to clarify the definition of philanthropy for the purpose of the research as the process developed.

4.3 Research process

For the researcher to understand how decisions are made when giving and what competitive advantage arose as a result, in-depth interviews using an interview guide with semi-structured questions were asked face-to-face where possible.

The semi-structured interview process assisted in guiding the interviewees with probing questions to clarify any ambiguity that may result from the answers provided, with comments like, “Please elaborate”, and the researcher’s silence following some answers which gave the respondent time to elaborate on an answer.

The engagement in multiple interviews resulted in a clear picture and provided deeper insights and understanding on the research topic and questions. This allowed the researcher to enhance the interview experience for subsequent intervie ity was removed from the questions.

Due to the nature of their roles, with many of the interviewees being key decision-makers for corporate social investments (CSI) and specialists in their field of work in their companies, face-to-face interviews were not always possible, therefore some telephonic interviews were conducted. These presented their own disadvantages since the researcher was not able to view the reactions of the interviewee to be able to assess the answers and ask further probing questions to enhance the value of the information received. In two cases the interview guide was provided to the respondent to complete as a questionnaire and return to the researcher as the respondent was not available for an interview.

The key decision-makers in each company were interviewed using the interview guide prepared from themes identified in the literature review. Additional questions were asked in order to probe further where no answers were provided or a more comprehensive understanding was required.

The researcher also attempted to understand and retrieve vital information pertaining to benefits attained, specifically in terms of the company's competitive advantage. These questions were derived using the literature review as a base for formulating the questions.

Due to the small samp ature of the research, as well as the type of information sought, a pilot study was done on a work colleague to ensure that the relevant information is extracted (King, 2010). The pilot interview, whilst not recorded or documented, was used to test the validity of the questions and time the interview took to ensure that it did not exceed the hour allocated.

Secondary data was used to supplement information where not attained from interviews. This was done via the annual sustainability reports and other company information in the public domain, including, but not restricted to, newspapers, magazines and the internet. This secondary data provided insight into the organisational profile of the companies and assisted the researcher in understanding key priorities, mission and strategies, as well as financial performance. This ensured that the researcher appeared professional and was prepared for the interview and was therefore able to extract only the relevant information required for the purpose of the research. Secondary data was used to further validate and verify data collected during the interview process.

McGregor BFA was used to gather financial data for all companies as this ensured consistency of reporting in terms of financial data. The financial data was reviewed to ascertain if the spend towards philanthropy was related to profits for the companies assessed and if the change in profits impacted the spending towards giving. This information was useful to determine evidence of the various theories being researched and if the spending is justified in support of the theorie[...]etitive advantage of the company.

4.4 Population and sampling

Companies large and small around the country, if not the world, engage in philanthropic activities. The criteria for the research required companies that engaged in philanthropic activities in South Africa. Therefore companies that are on the Johannesburg Stock Exchange's (JSE) Social Responsibility Index (SRI) (The Johannesburg Stock Exchange (JSE), 2011) were selected for the research. To qualify for assessment against the criteria indicators, a company must be in the base universe, the FTSE/JSE All Share Index. There are no exclusions of any specific sectors for purposes of the SRI Index (JSE, 2010).

The index, which started in 2004, includes a detailed voluntary assessment of organisations in South Africa. There are three areas of measurement in the SRI, namely environment, society and governance, and related sustainability concerns as per Figure 6. The social indicators are training and development, employee relations, equal opportunities, health and safety, community relations, stakeholder engagement, BEE and HIV/AIDS. These are further dissected into policy, management/performance and reporting. The companies are classified into high, medium and low impact risk to the environment that surrounds them and the indicators are then assessed based on the environmental impact.

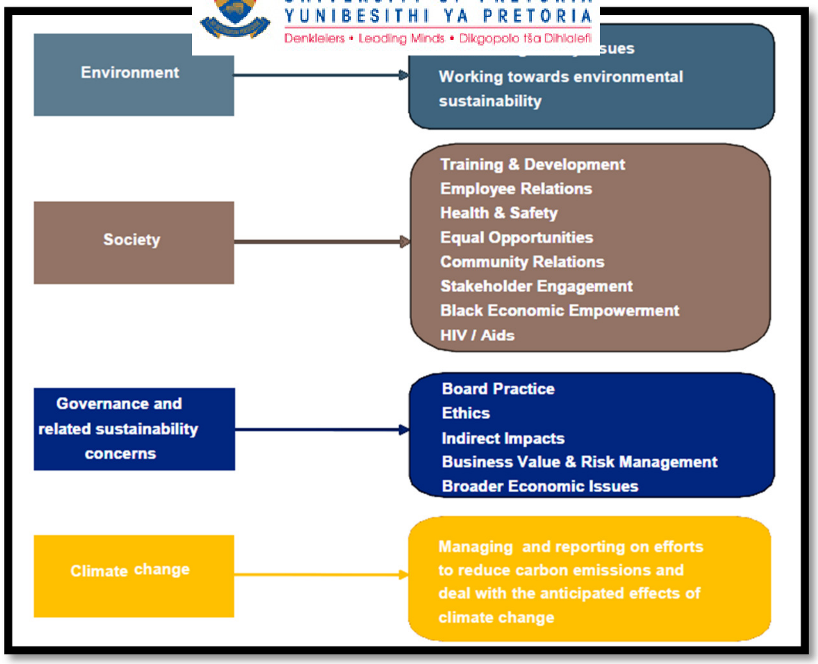


Figure 5 - Areas of Measurement for the JSE SRI (JSE, 2010)

The community relations under the social indicator displays evidence that the companies that are on the JSE's SRI are assessed on the monetary value of their charitable giving and the projects that are supported, and therefore are more than suitable for the objective of the research as depicted in Figure 7. The sustainability reports of the companies on the JSE's SRI were interrogated to identify the top spenders in terms of philanthropic spending.

Currently over 100 companies are automatically assessed on the JSE's SRI. 74 of the 106 assessed qualified for the SRI index. For the purpose of the research, the best performers of 2010 were selected as they display a commitment to society by virtue of their record as the best performers on the JSE's SRI. These comprised of 23 companies who were then contacted for interviews, however interviews were conducted with 15 companies based on the availability of the respondents.

COMMUNITY RELATIONS	Core Indicators	Desirable Indicators
Policy	• Demonstrated commitment to be involved in community development or upliftment	
Management / Performance	• Details of projects supported (e.g. community upliftment projects and partnerships) • Monetary value of charitable giving	• Social impact assessment • Employee secondment, gifts in kind or payroll giving schemes
Reporting	• Monetary value of charitable giving	• Details of projects supported • Employee secondment, gifts in kind or payroll giving

Figure 6 - Criteria on the JSE's SRI for community relations (JSE, 2010)

The key decision-makers for corporate philanthropy were the identified population. They have been selected since the outcome of this research will be relevant to these decision-makers.

4.5 Unit of analysis

In view of the scope of research and the objectives defined, the unit of analysis is the responses by the decision-makers (who are responsible for giving) of the gains achieved in competitive advantage as a result of philanthropic activities.

Due to the nature of qualitative research, a small sample size is sufficient due to the in-depth nature of the interview process. Thirteen interviews of approximately an hour each across 13 companies were held either face-to-face or telephonically. Two interview guides were completed as questionnaires which then resulted in a sample size of 15.

The sample was a non-probability convenience judgement sample. Judgement sampling is a type of convenience sampling and assures representations of all groups and conformation to the selected criteria (Blumberg, Cooper, & Schneider, 2008). Non-probability is arbitrary and subjective. Non-probability samples that are unrestricted are called convenience samples, since the researcher relied on interviews from respondents within the sample set based on their response and availability (Blumberg, Cooper, & Schneider, 2008).

The researcher acquired contact details from company websites, sustainability reports, past MBA students who had researched corporate social responsibility and the JSE's SRI, current MBA classmates, as well as the corporate social investment (CSI) handbook by Trialogue. The researcher then contacted the companies via email, telephonically and through contacts in the industry to set up interviews. Furthermore, social networks such as Facebook and LinkedIn were employed to create contacts and connect with the relevant people to interview.

All 23 companies on … 2010 on the JSE's SRI based on philanthropic spending were contacted either via email or telephone. These companies on the JSE's SRI were selected based on their confirmed spending towards charitable giving, as well as the other factors assessed that displayed their commitment towards being socially responsible. Only 15 were available for interviews as per Table 1.

Some respondents elected for the interview to be done telephonically due to time constraints, others due to them being in another province. Two responded via a questionnaire. One due to time constraints did so upfront and the other cancelled a face-to-face interview set up and opted for the questionnaire instead due to time constraints.

The researcher made several attempts to get interviews with all participants in the sample, however they did not respond to emails, phone calls and/or referrals by colleagues. Table 1 displays the process undertaken by the researcher to secure interviews and the number of respondents that were secured per method.

Table 1 - Process foll... btain interviews

Method of accumulation of Interviews	Number of respondents per method
Respondents responded to email sent with details obtained from the websites and reports	5
Respondents answering the questionnaire upfront	1
Respondent that responded to call and then cancelled the interview to respond via questionnaire	1
Respondent from a colleague on MBA who responded on Facebook	1
Respondent from a colleague on the MBA who worked at the company	1
Respondent from a colleague that knew someone at the company who responded to an email request for an interview	1
Respondent from a client that works at the company who responded to an email with a folow up call to the P.A	1
Respondent from a past year MBA but didnt respond to email and had to be called for the interview	1
Respondent from a current year MBA but didnt respond to email and had to be called for the interview	1
Respondent that didnt respond to the email request and had to be called to secure the interview	1
Respondent referred to by another respondent who responded to an email with a follow up call by the P.A to set up the interview	1
2 contacts via colleagues with whom the research did not secure interviews even through calls were made and numerous emails sent	2
The rest could not or would not participate to to lack of time, interest or the inability of the researcher to obtain the correct people to interview via email, phone calls or contacts	6
	23

An interview schedule was set up in excel to ensure that all interviews were accommodated, minimising any conflicts in the researcher's and respondents' availability. Where interviews were rescheduled, the schedule was adjusted accordingly to ensure that the researcher was able to accommodate the dates and times to suit the respondents. The researcher then booked meeting requests in the diaries of the respondents to confirm the interview dates. A confirmation email was sent either the day before the interview or on the morning of the interview, reminding the respondent so that they were available for the interview. This saved the researcher's time and allowed for better planning.

A pilot study was conducted with a work colleague to test the effectiveness and appropriateness of the questionnaire being used as a data collection tool (Blumberg, Cooper, & Schneider, 2008). This ensured an iterative process that eliminated questions that did not contribute to the research objective. Data was gathered through in-depth interviews using a semi–structured interview guide. Individuals who were seen to be integral to the decision-making around philanthropy were interviewed.

With the permission of the individuals, interviews were recorded using a voice recorder. These were supplemented by notes taken during the meeting. Even though all respondents were comfortable with being recorded, the researcher placed the respondent at ease ensuring anonymity of the answers so that the respondents could answer freely in order to ensure the validity of data.

Face-to-face interviews, in the researcher's view, also proved to be difficult since the researcher felt that the respondents felt obliged to answer how they perceived the researcher wanted them to answer, although the researcher assured them that responses would be scrambled and therefore anonymous.

Some respondents requested the questions upfront in order for them to determine their suitability for the purpose of the interview. This however, resulted in the respo[illegible]s from other sources in preparation for the interview and not elaborating as much in their answers.

The process was iterative to ensure efficacy and quality of results. The researcher adopted a hybrid of successfully used methods by previous researchers in order to conduct qualitative interviews as per below (Clark, 2006, King, 2010) :

- Selected interviewees based on the sample organisations selected;
- Scheduled appointments with interviewees either face-to-face or telephonically based on convenience for both the researcher and the interviewee;
- Questionnaires were submitted to two respondents who were willing to assist but could not spare an hour for an interview;
- The researcher collated secondary data prior to interviews and created an excel worksheet database with the company information relating to their contribution towards charitable giving and financial performance for a defined period based on the information publicly available;
- Recorded interviews (subject to respondent's agreement) and made notes of key points;
- Adjusted the questioning based on themes from previous interviews to make the questionnaire more relevant and robust;
- Transcribed and stored all interviews electronically on a disk;
- Listened to the interview answers once transcribed electronically and found common themes and meaning in the data when reflecting on interviews;

- Organised data in the [illegible] eviously (when analysing secondary data) into themes and categories based on the literature review and research objectives and questions using the interview guide and the table in Appendix 3.
- Looked for key issues and commonalities and divergences that emerged and noted these;
- Assigned numbers to organisations to maintain the confidentiality of the answers provided. The researcher named the respondents using numbers as respondent identification;
- Aggregated the main research findings as per the research questions; and
- Secondary data that was publicly sourced was used to supplement key findings from interviews post interviews.

4.8 Data analysis

The procedure for general analysis involves seven phases: organising the data, immersion in the data, generating categories and themes, coding the data, providing an interpretation through analytic memos, searching for alternative understandings and writing the report (King, 2010). The data gathered using the interview guide from the pilot study was analysed and coded using an excel worksheet (King, 2010). This was then reviewed and updated based on whether the research objective was achieved with the questionnaire. Coding allows a researcher to interact with the data and derive meaning through questioning and making comparisons (Blumberg, Cooper, & Schneider, 2008). The data analysis took the form of constant comparisonsm where t pared to the previous set (King, 2010). This allowed the identification of similarities and differences in responses from the respondents across organisations.

Thereafter, content analysis was done on both primary and secondary data to find themes related to the research questions (Blumberg, Cooper, & Schneider, 2008). The recordings were transcribed electronically to be listened to and notes were referred to for the researcher to identify if the assumptions made about the decisions were confirmed in this research. The answers to the interview were also transcribed into a Microsoft excel worksheet where key words were identified and captured.

Content analysis was done for each research question to see if not only the assumptions were realised, or if new reasons and actions for giving were identified. A coding procedure was defined as a result to place certain words under themes and stored in an excel worksheet to answer the research questions (Blumberg, Cooper, & Schneider, 2008).

In order to protect the confidentiality of organisations and interview participants, organisation and respondent names were not mentioned explicitly in the research results. Instead, the JSE sector was used to differentiate respondents to maintain anonymity due to the sample size. The research results were aggregated per research question.

4.9 Data validity and re

Qualitative research has to convince the reader that it makes sense. The CSI handbook by Trialogue contains research done in the South African context and was referred to in order to find similarities and disparities in terms of financial data used. A common semi-structured interview guide was used to ensure consistency in the questions asked and pilot studies were conducted with colleagues to ensure that the questionnaire was suitable for the objective of the research. The respondents were assured that the responses were anonymous to ensure the accuracy of the answers provided.

4.10 Chapter summary

This chapter motivated the use of the qualitative approach of research through the use of semi-structured interviews and secondary data analysis. The chapter elaborates on the selection of the sample as well as the research process and the method of selecting the respondents. Thirteen interviews were conducted and the interviews stored and analysed for content and placed into themes for review.

Whilst the preceding chapters focused on the theory and motivation of the research, the resultant themes and content analysis will follow in the next two chapters.

Table 2 displays limitations of the research as well as how to manage these limitations

Table 2 - Limitations of the research and the management thereof

Limitations of the research	Management methods
Conclusions based on qualitative research are subject to interpreter bias and conclusions reached here cannot be used in other companies **(Blumberg, Cooper, & Schneider, 2008)**.	The researcher stated her biases as a limitation to alerts readers of them. The interview will be semi-structured in order to guide the respondent. Future research can be done using the information gained from this research in order to quantify the outcome of this research.
The small sample sizes are not representative of the entire population and therefore no statistical inferences can be made **(Blumberg, Cooper, & Schneider, 2008)**.	In-depth interviews will result in richness of data provided. The sector analysis of high medium and low impact companies will also assist in providing a range of views.
The ideas from this research that	Further quantitative research is

are proposed can in acknowledged as fact since not much research has been done in South Africa from the searches done by the researcher. Therefore this qualitative research cannot be substituted for quantitative research done.	substantiate findings using the outcome of the qualitative research as a basis.
Face-to-face and telephonic interviews can result in respondents providing answers that the interviewer wants to hear which can result in incorrect data and interpretation of data. Some researchers asked for the interview guide upfront due to insecurity and wanted to be prepared for the interview.	A standard interview guide will be used ensuring the anonymity of the respondents so that responses provided are truthful and correctly represented. The questions are open ended so as not to lead the respondents into providing answers that the researcher wants to hear.
Only key decision makers directly involved in philanthropy were be consulted in the research process	It will be useful in future research to understand how non decision makers perceive the decisions made towards corporate philanthropy. The scope of this research has been stated and

	the time and resource constraints. It would be useful to interview decision makers outside of the SRI and from different industries that extend their giving to all areas of philanthropy to determine how they made decisions and the benefits received. Furthermore it would be useful to understand the point of view of the CEO that invests in philanthropy and if they perceive any benefits to be achieved.
Only the top spenders of the companies in the SRI that engaged in corporate philanthropy were researched.	Future research should look into understanding the views of those companies that do not engage in philanthropic activities.
Questionnaires that were provided results not being able to clarify ambiguity.	Open email communication cleared any ambiguous questions.

5. Results

5.1 Objectives

The objective of this chapter is to present rich meaningful results that are gained from a combination of the interviews, questionnaires and secondary data analysis. The qualitative research conducted is to determine if, by selecting stakeholders and utilising scarce resources when giving in the interest of the company, can lead to the competitive advantage of the company.

The results are presented per question and have been guided by the core theories of Stakeholder Theory, Agency Theory and Resource Based View, culminating in questions related to the competitive advantage of the company. Analyses of these responses are then completed in Chapter Six.

5.2 Research sample

Appendix 4 displays all the sectors of the companies on the JSE's SRI that were part of the sample and the movement in their CSI spend for 2009 and 2010 as they were available. These were retrieved from the sustainability reports of the companies. McGregor BFA was used to collate financial data for all companies in order to maintain consistency in the information displayed. This was used to display the commitment of the sample selected to giving and furthermore to demonstrate that the amounts given are consistent, if not highe[illegible] some companies, despite the net profit after interest and tax decreasing or remaining the same as the previous year, corporate social investment spend increased. Only two out of the twenty three companies reduced the contribution towards giving from the previous year, as even though their net profit after interest and tax increased, their top line figures decreased. This may have contributed to the decrease in the philanthropic spend.

Appendix 5 displays the details of the respondents that elected to participate in this research. Characteristics of the participants varied, with four of the respondents being male and 11 being female, all in key decision-making positions around corporate social investment in their companies. The length of service of the respondents varied between two years and 23 years, with more than half the respondents having being in their positions for more than five years and all being in their positions for more than two years. This demonstrates experience in their positions and thus shows that they are suitably qualified for the purpose of this research. The respondents' roles varied from managers, specialists or head of corporate social investments, and heads of communications and corporate affairs in their companies.

Respondents appreciated the anonymity of the responses as it allowed them to freely answer the questions without bias. However the researcher still perceived the face-to-face interviews as displaying a bias in terms of wanting to provide the 'right' answer, whereas this was not felt by the researcher in the case of telephonic interviews. Due to the nature of qualitative interviews, small sample sets and etween the sectors in the research, the companies and the respondents remain anonymous and only the sector that the company operates in was identified.

Appendix 6 reflects a list of the interview dates and data collection method per respondent. All answers have been allocated to a coded number for the respondent to maintain anonymity.

5.3 Findings from interviews

The data collected was analysed to find common themes emerging. Each interview was preceded by content analysis of the interview, as well as analysis of the data from the sustainability reports, to search for substantiation or supplementation of the findings from the interview. Ideas from preceding interviews were utilised to improve questions for the latter interviews since these brought clarity to the researcher as the process matured.

The answers to the questions were sometimes recorded per respondent, in which case the researcher displayed respondent identification numbers. However some of the answers were grouped into themes whereby a single respondent could have contributed to answering across the themes. In these instances these answers displayed the multiple responses per respondent across the themes and the number of responses are aggregated and displayed and reported on.

5.3.1 Findings from question one

Throughout the literature review, the definition of corporate philanthropy was not clarified in terms of the South African context. It was therefore important to clarify the understanding of corporate philanthropy and comprehend the different perspectives of the decision-makers interviewed or questioned. Table 3 is the aggregated results for question one.

Table 3 - Aggregated results for the understanding of philanthropy

Response to understanding of philanthropy	Respondent I.D.	Number of responses
Philanthropy is the giving of time, money and resources where there is a need with no expectation of return on investment. It is related to goodwill and alleviating the plight of our people.	3, 4, 5, 9 10, 11,12, 14	8
Philanthropy is an outdated term. The world view has evolved. There is a shift away from donating cash to investing.	1, 6	2
Philanthropy does not tie in with strategy.	6, 8,	2
Philanthropy is showing that companies	2,	2

care about the co which they operate.		
Philanthropy is engaging employees to give their time and expertise to communities.	7,	1
Philanthropy does not empower the people that you give money to.	4	1

As a result of the above findings, the questionnaire had to revolve around the South African terminology generally used in charitable giving by the corporates of either corporate social investments or socio-economic development, since a majority of the respondents failed to agree that they engage in philanthropy at a corporate level.

As respondent nine confirmed “we engage more in philanthropy with an element of socio-economic development”. 14 out of 15 respondents noted that companies in South Africa engage not in philanthropy, but investments in communities and society, with only one company admitting to engaging in philanthropy with some element of socio-economic development. Respondents reiterated that they invested and did not, as respondent three, four and five confirmed, “just give donations without expecting anything in return”. Respondent four passionately stated that “Corporate philanthropy I believe in the normal context is donations. We invest in our people. There is no such thing as philanthropy in my context. There is no free lunch. We invest to gain a good social brand. I do not believe in donations that is the bottom line. We do not do char ɲpower. We need a return on investments”. Respondent eight confirmed that they “used to do philanthropy but now they are more strategic and have evolved to corporate social responsibility”.

When asked what the companies engage in if not philanthropy, all respondents agreed that the term used in South Africa for charitable giving is corporate social investments and/or socio–economic development. Respondent nine, however, admitted to participating in philanthropy and admitted to the word even being used in the job title of the senior manager.

Six respondents confirmed that corporate social investment was seen as a “strategic necessity”' and furthermore to develop and engage communities where they operate. Three respondents agreed that corporate social investment is done to serve the national interests and is an investment seeking a return.

A view of how corporate social investment is perceived is depicted in Table 4.

Table 4 - Aggregated results for why companies invest

Response to understanding of CSI	Respondent I.D	Number of responses
Business imperative and strategic necessity	1, 2, 3, 4,5, 6, 8, 11, 12, 13, 14, 15	12
Community upliftment	1, 2, 4, 5, 6, 7, 9, 10 ,12,13 ,14 ,15	12
Serving the national interests	1, 2, 4, 5, 7, 10, 11, 15	8
Good corporate citizen	2, 5, 8, 9, 10,11,12,14	8
Social brand and reputation	2, 4, 6,12, 14	5
Employee wellbeing, retention and attraction	1, 2 ,6, 9,12	5
Licence to operate	3, 5, 6, 8,11	5
Risk reduction	6, 7	2

The researcher viewed ne and question seven to collate Table 4. This displays what the motivation behind the giving is to the respondents responsible for the giving.

"You cannot do business in a socially and politically unstable country. You need to build political stability and support government. The company needs to meet its social obligation and help grow economy building the community where you operate. You cannot operate business successfully is the community around you is suffering. Social upliftment makes good business sense from a bottom line perspective. You need to be committed and give back to communities", as mentioned by respondent three.

The responses to what corporate social investments meant to the respondents were grouped into themes and then responses were aggregated and displayed per theme. The majority of the responses in terms of corporate social investments (CSI) were that it is a strategic necessity and business imperative, with 12 responses each. Furthermore to develop and engage communities where companies operate had eight responses each, and then five responses confirmed that they give to serve the national interest.

A lack of focus when giving can detract from giving strategically. Whilst having a plan does not necessarily imply that it is aimed towards the strategy of the company, a structured giving programme nevertheless provides focus in terms of resource allocation and ensures thought goes into where resources are allocated.

Table 5 - Existence of a structured giving programme

Is there a programme?	Respondent I.D	Number of responses
Yes	1 – 8,11 - 15	13
No	9,10	2

This question was asked to determine if there is structure and focus in place in terms of the giving. The respondents were asked to elaborate on the programmes regarding who created them and what they are about. This was to determine if the respondents gave according to their personal preference or whether thought and structure went into the decision-making process. 13 respondents confirmed that a programme existed, which displayed that a majority of the respondents followed a focused approach when deciding where to give.

Table 6 - Determinant[illegible] areas

Programme governed by:	Respondent I.D	Number of responses
Licence to operate	1,2,3,4,5,6,12,13,15	9
Strategy	3, 5, 6, 7,8,11,13,14,15	9
No programme	9,10	2

It was useful to observe what the determinants behind the structure of the programme were in terms of the main drivers of how the programme was structured, to establish if the company's competitive advantage was accounted for in the decision. The results were equally spread between the 'licence to operate' and 'strategy' of the business, with nine responses each. This then determined the focus areas of the programmes as per Table 7. Some respondents cited both licence to operate and the strategy of the business as reasons to create a programme that focused the areas of giving.

These responses differed according to the sector within which the company operates. The mining sector is largely governed by the Mining Charter in terms of the requirement of a Social and Labour plan, whilst the retail and financial sectors did not have similar restrictions as to how the programmes should be structured and focused more on the strategy of the company when deciding where to give.

Two respondents did r ace to govern where the money was distributed to. Respondent ten, however, had a process to determine the allocation of money but no structured programme.

Table 7 - Focus areas for giving

Focus areas	Response via Interviews		Sustainability Reports	
	Respondent I.D	**No. of responses**	**Respondent I.D**	**No. of responses**
Education	5,6,7,8,9, 10,11,12 ,13,14	10	7,14,1,8,13,2 ,5,4, 12,11,6	11
Health and welfare	2,3 ,10,12,13	5	7,14,11,1,8,1 3,2,12,10	9
Community development	1, 2, 3, 10, 11,12 ,13	7	7,15,10,2,4,1 1,6	7
Skills, Training and Development	2,7,10, 11,13	5	7,10,1, 13,2,12	6
Arts and Culture, Sports development	7, 9,12	3	7,3,14,1,2,4	6
Environment	7, 11, 12	3	7,14,1,8,5,12	6
Donations	5,7, 10	3	7,4,6	3

Infrastructure			7,4	2
Poverty alleviation and job creation	4, 10,12	3	4,12	2
Enterprise development	2,12	2	2,1	2
Food security	6, 11	2	6,1	2
Leadership development	4	1	14,2	2
Combating crime	12	1	14	1
Financial Literacy	8	1	15	1
Youth development	4	1	5	1
Disaster relief	2, 7, 9	3	7	1

The focus areas derived in Table 7 were based on the most prevalent themes in the sustainability reports, as well as the answers provided during the interview process to view the similarities and differences in responses by the decision-makers and what is reported on. These were reviewed for the number of responses to view the key focus areas across the sectors.

The emergent theme that surfaced and displayed consistency to that of the sustainability reports were that of education, health and welfare, community development and skills, training and development.

Respondent three co activities tended to be community based, and context based and differed from project to project. They also differ based on the sector that the company is in. Mining sectors' results tend to reflect more towards legislation and regulation dictating the programme that is implemented".

Due to the number of focus areas, the respondents experienced difficulty in identifying all of them. The sustainability reports were then used to supplement the answers for focus areas. The focus areas were later analysed against the company's competitive advantage, determining if the giving is targeted to the focus areas that will most benefit the company.

5.3.4 Findings from questions three to six

Table 8 - Prevalence of giving strategy and alignment of this with the core business strategy

Description	Respondent I.D.	Number of Responses
CSI Strategy in place	1 – 8, 13 ,14 ,15	11
Giving aligned with company strategy	1, 2 ,3, 4,7 ,9, 10, 11, 12,13,14,15	12

Ties into but completely aligned with company strategy		3
Is this line going to be used? If not it must be deleted		
Long Term investments only	1,3,4 ,5,6,7	6
Combination of long and short term investments	2, 8, 9, 10,11,12, 13,14 ,15	5
Short Term investments only	None	0

Eleven respondents confirmed that they had a strategy in place specifically for charitable investments. Twelve respondents confirmed that their giving was in line with the company strategy, with three confirming that it ties into the strategy but is not directly aligned.

Respondent eight stated that, "the CSI strategy is a separate strategy to the foundation but ties into the business strategy. We have just completed and launched the strategy. If the company changes its core business strategy we will not change the CSI strategy as it has a different focus".

Therefore a majority of the respondents have not only a strategy for giving in place, but also these strategies align with the core business strategy.

The above responses were analysed to determine the purpose of giving and if the programmes are strategically aligned to the core business strategy. Furthermore, by virtue of the length of the programmes, the researcher was able to ascertain the need for the sustainability of the programmes and the potential benefits that could be achieved.

Respondents six and seven were not aware of what the strategy of the company was yet - respondent six mentioned that the giving was long term and strategically aligned around the core function of the company and stated that “development takes time”.

Respondent eight said that their giving was “definitely long term; three – five years. The reason being for the sustainability of the effort, so that we can see a difference”.

Respondent 13 stated that “we try as much as possible to focus on medium term initiatives; I will avoid long term because it implies a creation of dependencies. Medium term means, beginning and end should not be long term such that people become dependent. We generally do not want to be worse off. Most of our projects, we want to take our beneficiaries along to build capacity such that they are able to sustain themselves long after we have left. So three to five years”.

Respondents one, fou[illegible]ce when asked what the strategy of the company was, whilst respondents two, three, five, eight, thirteen, fourteen and fifteen answered in terms of the giving strategy. When probed further to divulge the strategy of the company as a whole, they displayed discomfort and explained what they understood the company strategy to be.

Respondent nine initially claimed that it was to grow into emerging markets but then showed the researcher the strategy detail as it was displayed on the office wall. Respondent ten was uncomfortable with the question altogether, and then when probed answered from recollection of the knowledge of what the company strategy was. Respondent 11 looked for the answer in the strategy document and read out the response as there were several points to consider.

Having a strategy in place for giving is relevant to achieving the goals as per the motivating factors around giving, however aligning these with the core business strategy is how true competitive advantage can be gained. The respondents, whilst aware that knowledge of the company strategy is important and alignment of the giving with the strategy is key for the business, as per the researcher’s perceptions were not that informed about what the core business strategies of their companies were.

Table 9 - Process for allocation of resources

Are there processes and procedures in place to determine resource allocation?	Respondent I.D	Number of responses
Yes	1 - 15	14
No	12	1

All respondents except for one confirmed that there is some process in place to determine where the resources are allocated. The researcher was able to determine evidence or lack thereof of Agency Theory in play. With processes and procedures in place, the decision to give is not made by one individual's self-interest. For all respondents except for one, there are processes and procedures in place along with the structured programmes, that with focus areas determined by either legislation or the strategy of the company, assist with the decision-making on where money is allocated.

Respondent ten confirmed that they looked at the project to administration ratio. If more than 25% of the spending is towards administration, for example salaries and overheads expenditure, then the project is rejected.

Some companies hav [illegible] t assist in the decision-making process, others receive assistance from the human resource department, and whilst some have the board make the decision based on the amount given and the time frame of the project. Proposals can come via email request, intranet requests, application forms or "just a knock on the door" as per respondent 12. Four respondents confirmed that they visited the beneficiaries to ensure that their proposals matched the submissions, since "some applications look good on paper but when you visit the beneficiary you can verify what is in the application", as per respondent ten.

This will be reviewed in Chapter Six in terms of which stakeholders are engaged, how resources are used and if giving is in self-interest.

5.3.6 Findings from question nine

Table 10 - Incentives for giving

Incentives to give	Respondent I.D	Number of responses
Rewards and awards	1 ,2 ,4, 9, 15	5
Good feeling and job satisfaction	4 , 5 ,7 ,8 ,10, 11, 12 , 13 ,14 , 15	10
Monetary gain over and above salary	None	0

Further to Table 10, the [illegible] dents substantiate further, whereby respondent one confirmed that whilst they received awards, it was "not a motivating factor for giving". Respondent two mentioned that "I do not like the spotlight and am forced to apply for awards which then sit in the CEO's office". Respondent three established that "there were policies in place that prevented individuals from receiving any personal rewards and was seen as bribery". "Money follows passion" was a firm comment from respondent four, who went on to say that, "therefore the recognition is not sought but unexpected". Furthermore, respondent four went on to state that "recognition fades if you do it just for money". Respondent five confirmed that it was "done for compliance and return on investments, not for any personal benefit".

The words "feel good" and "warm and fuzzy"' were used to describe the emotions experienced by making a difference to the lives of people. Respondents five, seven, eight, ten, 11 and 14 all confirmed that the incentive was related to making a difference in the lives of people.

Respondent 14 stated that "It is wonderful to be a part of something bigger than oneself and to pursue an agenda that is wider than commerce".

Table 11 - Stakeholder list comparing interview responses and sustainability reports

Identified Stakeholders	Respondent I.D Interview Responses	Number of responses	Respondent I.D Sustainability Reports responses	Number of responses
Investors and shareholders	0	0	3,14,15,1,8,4,6, 10,9,13,2,5,12,11,7	15
Community	1,2,3,4,5,6,7,9, 11,12,13,14	12	1,2,3, 4, 5, 7, 8, 9,10, 11, 12,13, 14, 15	14
Employees	2,6,9, 10,12,14,15	7	3,14,15,1,8,7,4,6,10,9,13,2,5,12	14
Government (local and national), authorities and regulators	1,2,3,4,5,6,7,9,12	9	1,8,7,10,9,13,2, 12,11,15	10
Customers	1,5,9,12,15	5	14,15,1,8,4,6,10,	13

			9,13,2,5,12,11	
NGOS	1,4,8, 11,12	5	3,8,7,10,9,2,5	7
Trade Unions	5	1	1,9,2,5,11	5
Media	0	0	3,1,9,13,2,11	6
Suppliers	1,15	2	1,8,4,9,13,5,12, 11,	8
Society	0	0	15,9	2
Board/management	4	1	9	1
Schools	3, 11,13	3	0	0
Competitors	5	1	0	0

An interesting observation was that as per the interview responses provided, the stakeholders mentioned most frequently were government, employees, NGOs (non-governmental organisations) and the community. Whilst shareholders are mentioned throughout the interviews, for this specific question none of the respondents mentioned the shareholder as a stakeholder impacted by the giving. Conversely, scrutiny of the sustainability reports clearly establishes the shareholder as part of the stakeholder group. The main stakeholders that appear consistently in all reports are, with fifteen responses, investors and shareholders, followed by community and employees with 14, customers with 13 and government with ten.

Another interesting observation is that competitors are not viewed as a stakeholder impacted by the giving. Neither the sustainability reports nor the respondents (with the e mentioned the competitor as an impacted stakeholder. The analysis will look into this in detail to demonstrate that in order to gain a competitive advantage; the company needs to have a view of how the giving impacts on the competition. These stakeholder relationships are further discussed and analysed in Chapter Six.

5.3.8 Findings from question 11

Table 12 - Most powerful stakeholder

Most powerful	Respondent I.D	Number of responses
Community /Beneficiaries	1, 2 ,3, 4, 5 , 9, 10 ,12,15	8
Management/Board	7 ,8, 11,12,14	5
Government and Local Municipality	1, 2 ,6, 9	4
Employees	6, 9, 10	3
NGOs	7	1
Customers	9	1

By obliging the most powerful stakeholder, a company can reduce their power and thus gain competitive advantage. The most powerful stakeholder identified is the communities and beneficiaries of the programmes with eight responses, followed b ard with five responses, government with four responses and employees with three responses.

Respondents ten and 11 displayed discomfort answering the question in terms of not necessarily believing that any stakeholder had the power to influence the decision. This could be due to a narrow view of who the stakeholders are. Ultimately these respondents confirmed that the strategy of the company and the need is the determining factor for where the money goes. This was then coded as beneficiaries and management and added to those stakeholder listings.

This question was asked to determine if the companies gave towards their most powerful stakeholder in order to diminish the power of the stakeholder to ultimately aid in the company's competitive advantage. These answers identified the most powerful stakeholders, but Table 13 goes on to identify the most powerful stakeholders per sector as there appeared to be a definite difference based on the sectors which the researcher believed was useful to display.

Table 13 - Sector brea ful stakeholder

Respondent I.D	Sector	Most powerful	Second most powerful
Respondent 1	Coal	Government	Community
Respondent 2	Platinum	Community	Government
Respondent 3	Metals and minerals	Community	Government
Respondent 4	Building and Construction	Community	-
Respondent 5	Other construction	Community	Suppliers
Respondent 6	Retail	Employees	Management
Respondent 7	Insurance Non - life	Management/ Board	Employees
Respondent 8	Life assurance	Management/ Board	-
Respondent 9	Life assurance	Customer	Government
Respondent 10	Diversified Industrials	Management/ Board	Employees
Respondent 11	Food processing	Management/ Board	-
Respondent 12	Paper	Management/	Communities

Respondent 13	Other construction	Management/ Board
Respondent 14	Diversified Industrials	Management/ Board
Respondent 15	Banks	Beneficiaries

It was necessary to show a sector breakdown as the power of the stakeholder differs per sector, depending on the requirements of the sector to comply. In the mining and minerals sector, the government and community are deemed most powerful, however in the other sectors the majority of the power is held by the board and management. However looking at retail, the focus is more on employees and what management decides. Due to just one retail respondent, this result cannot be accepted as the same across all retail sectors.

Table 14 - Measures in place to monitor and evaluate

Are there measures in place to monitor and evaluate?	Respondent I.D	Number of responses
Yes	1,2,3, 5, 6,7,8,10, 11,14 ,15	11
No	4, 12	2
In progress	9, 13	2

The respondents' answers differed on the measurements depending on the projects that they were involved in.

Respondents one and two mentioned that certain criteria were measured such as jobs created, education results and number of businesses created.

Respondent three added to the above criteria mentioning the number of people tested for HIV/AIDS.

Respondent four stated that "measuring and recording was a form of advertising and was exploitative since the taking of pictures and recording of conversations with the beneficiaries and the purpose of this was not fully understood by the beneficiaries".

Respondent five confirmed that tracking and monitoring was done using different tools and was done in-house or outsourced, depending on the type of project.

Respondent six confirmed that specific measures were in place and that "it is important to measure the outcome and not just the output".

Respondent nine confirmed that a senior manager was recently employed to measure and evaluate projects.

All the respondents that do measure use these measurements to monitor and evaluate the success or shortcomings of the programme and use it to report on and to adjust the programme if shortcomings are identified.

It was necessary to analyse the measurement and impact of the giving in order to ascertain if outcomes are achieved and then to compare those outcomes to the strategy of the company to determine if goals are met. Nine respondents measure their impact in some way or another, with only one respondent not measuring the impact and one initialising the process.

Table 15 - Drivers of the giving programme

Who drives the programme	Respondent I.D	Number of responses
Both (includes Volunteering, Fund Matching, Payroll contributions)	3, 4, 6, 7, 9, 10, 11, 13 ,14 ,15	10
Company	1, 2, 5, 8, 12	5
Employees	None	0

Table 15 displays whether the company is responsible for the programme, employees are responsible or if it is as a consolidated effort. Seven companies have both a company and staff component to the giving, with only four being company driven alone and none being completely employee driven. This demonstrates that there is focus and ensures the sustainability of the programme. Companies can use the resources available to them by means of employee volunteering to enhance the competitiveness of the company.

Table 16 – Existence of a budget for giving

Is there budget?	Respondent I.D	Number of responses
Yes	1- 15	15
No	None	0

All companies have a budget allocation for their charitable giving, which ensures that a predetermined amount is allocated towards the spending.

Table 17 - Budget allocation

Respondent I.D	JSE Sector	How is the budget determined?	Do you adhere to this amount
Respondent 1	Coal	1%NPAT	No, there is a contingency amount if required
Respondent 2	Platinum	1%NPAT	Yes
Respondent 3	Metals and minerals	1%NPAT	Sometimes go over budget

Respondent 4	Bu[illegible] construction	[illegible]	Sometimes go over budget
Respondent 5	Other construction	1%NPAT	Yes
Respondent 6	Retail	Annual increase as determined by finance committee.	Yes
Respondent 7	Insurance – non-life	Based on the projects submitted. Should be 1%NPAT but is lower at present	Yes
Respondent 8	Life assurance	Annual budget process. Should be 1%NPAT but is lower at present	Yes
Respondent 9	Life assurance	1%NPAT	Yes
Respondent 10	Diversified industrials	1% of NPAT	Yes
Respondent 11	Food processing	1%NPAT	Sometimes go over budget

Respondent 12	Pa	budget process but keeping an eye on 1%NPAT	1%NPAT
Respondent 13	Other construction	1%NPAT	Consistently exceed budget
Respondent 14	Diversified industrials	1%NPAT	Sometimes go over budget
Respondent 15	Banks	1%NPAT	Yes

Table 17 displays the budget allocation in terms of giving and whether the budget is adhered to or not. This can also tie into Agency Theory in terms of whether shareholders are considered when budgets are not adhered to. Four out of 11 companies exceed budgets. All respondents are aware of the recommended 1% of net profit after tax requirement for spending towards giving and receiving the five socio-economic development points as per the DTI good code of practice. This was more of a requirement in the mining sector than in the retail and financial sectors. Those respondents that did exceed budgets were proud of their efforts to contribute more as a result of the needs of the beneficiaries. They believed that the need outweighed the responsibility to stick to the budget. Respondent 13 said the budget was consistently exceeded, however the CSI strategy is considered when deciding where to give.

Mining and construction [illegible] NPAT (net profit after tax) due to the mining charter requirements, however those that are not regulated tend to be less concerned with meeting this target.

Respondent six mentioned that “the budget of 1% NPAT is restrictive in that if companies were giving more in the past, they now just need to give a lesser amount in order to obtain their five SED points”.

5.3.12 Findings from question 15

Table 18 - Resource allocation

Respondent I.D	JSE Sector	What is the mix of resources?	How do resources get allocated?
Respondent 1	Coal	Employee time, money	Goes to focused projects
Respondent 2	Platinum	Employee, skills, money	Goes to focused projects
Respondent 3	Metals and minerals	Employee time and money	Depends on where the need is strongest

Respondent 4	B[illegible] constructions	Time and Money	Goes to focused projects
Respondent 5	Other construction	Money	Goes to focused projects
Respondent 6	Retail	Employee time, money, products	Goes to focused projects
Respondent 7	Insurance – non-life	Employee time, money	Goes to focused projects
Respondent 8	Life assurance	Money, CRM	Goes to focused projects
Respondent 9	Life assurance	Employee time, money	Based on where the staff want to give
Respondent 10	Diversified industrials	Employee time, money	Goes to focused projects Based on where the staff want to give

			Depends on where the need is strongest
Respondent 11	Food processing	Employee time, money	Goes to focused projects
Respondent 12	Paper	Money, CRM	Depends on where the need is strongest
Respondent 13	Other construction	Employee time, money	Goes to focused projects
Respondent 14	Diversified industrials	Employee time, money	Depends on where the need is strongest
Respondent 15	Banks	Employee time, money	Goes to focused projects

Table 18 displays the allocation of the resources available for dispersion for giving. These were analysed to ascertain if the resources were allocated according to the strategy or without any structure. Eleven respondents have answered that they allocate resources, be it time, money or skills, according to the programmes that are predetermined and thus on focused projects.

Respondent nine howe based on where the staff wished to give as well as disaster relief, which was echoed by respondent seven.

Respondents six and seven had co-ordinated staff volunteer programmes in order to control the efforts of the employees to align with the company focused projects.

Respondent three just matched funds and there was no structure to the employee part of contributions.

Respondents 12 and 14 confirmed that their giving was based on where the need was the strongest and not necessarily focused on any programme currently.

Table 19 - Responses around understanding and evidence of competitive advantage

Respondent I.D	Sector	Understanding of competitive advantage	Your company's competitive advantage	Evidence of Competitive advantage as a result of giving
Respondent 1	Coal	Gives the company an edge Being excellent due to what we do	Reputation, Being on the JSE's SRI, Investor confidence	**Not sure**
Respondent 2	Platinum	Low costs	Low costs, Improved efficiencies, Skills retention	**Yes**

Respondent 3	Mine	company the edge to win customers and investors	is the competitive edge Good social footprint	**No**
Respondent 4	Building and construction	Seen by the public as beating the competitor	Good social brand	**No**
Respondent 5	Other construction	Something that distinguishes you from your competition be it a product or service. Something that gives you the edge above your competitors	Expertise, Skilled workers Reputation	**Not sure**
Respondent 6	Retail	Do not know	Brand	**Not sure**

			ies, Products, Drive,	
Respondent 7	Insurance – Non -life	Competitive Advantage is about excellence and the difference and impact we make on the lives of people	Working in partnerships	**Not sure**
Respondent 8	Life assurance	Competitive Advantage is selfish	Collaboration with competitors to discuss the same topic Not competitive	**Not sure**
Respondent 9	Life assurance	People taking advantage of	Provincial Management	**Yes**

		really good at	…rd that bring together groups of companies that meet and discuss issues. Structure and reach on the ground.	
Respondent 10	Diversified industrials	Advantage a competition might have over and above me		**No**
Respondent 11	Food processing	Something that differentiates organisation from the pack	Clear strategy, strong brand, communication to shareholders on how we go about achieving our	**Yes**

			tegy	
Respondent 12	Paper	When a customer chooses u over someone else. Cannot easily replicate. Something that sets u apart. Unique selling point.	Internationally our competitive advantage is being environmentally friendly. Locally it is our products and service and ethics that sets us apart	**No**
Respondent 13	Other construction	Unique capability that you possess as a business or an organisation that gives you an edge over your peers or your	Ability to operate in difficult geographic environments. Unique culture as an organisation	**Yes**

Respondent 14	Diversified industrials	Competitive advantage is gained by offering key stakeholders greater value than competitors, either through competitive pricing or greater value, including benefits and solutions, such as quality of service.	Our Value Based Management philosophy	**Not sure**
Respondent 15	Banks	That which differentiates the company from its peers and is known	Strong employee involvement, targeted focus areas, strong	**Not sure**

	creates opportunities for a unique / innovative contribution.	nerships, national footprint.

Nine out of the 15 responses displayed discomfort with the questions around competitive advantage, with differing responses in understanding their view of competitive advantage. Four respondents confidently answered that their giving resulted in a competitive advantage. The respondents that confirmed that they were not sure did not have any evidence to back up their assumptions, but made them as to the perceived competitive advantage to be gained from philanthropy. Respondent six confirmed that as a socialist, they did not know of competitive advantage.

A few respondents directed the researcher to the marketing department, as they believed that competitive advantage was a marketing function and not a giving function.

Respondent two stated that by means of a housing scheme, employees were attracted and retained and it was difficult for competitors to steal skilled staff which led to their competitive advantage.

Table 19 provides a b of what the respondents thought their company's competitive advantage was and if there was evidence of an increase in the company's competitive positioning as a result of the giving.

Five respondents mentioned that competitive advantage is something that gives you the edge over your competitors. Five respondents mentioned that it is what differentiates you from your competitors, while one respondent mentioned low costs and one respondent said she did not know. Others reiterated that it is the advantage that either you have over your competitor or they have over you.

Respondent one stated that "I am not pleased to link competitive advantage to community development and competitive advantage should be a secondary concern". Respondent two mentioned that "in mining there is no real competitive advantage as everyone is selling the same resource", whilst respondent six mentioned "I am socialist and therefore I do not have an answer to that". Respondent eight affirms that "Competitive advantage is selfish and we should all pool budgets and work together to achieve maximum benefit; not compete". Respondent nine confirmed that "competitive advantage is using people for what they are good at, taking it to the maximum".

Therefore it seems that the term overall is not viewed comfortably with those that engage in the decision-making around corporate giving.

When asked what thei[illegible]antage was, there was a range of answers, with respondent one stating that reputation is important since suppliers will not want to do business with you if you have a poor reputation. “I would personally spend millions on community development instead of advertising how wonderful we are”. “The company has no competitive advantage as they sell resources which are the same all around, but their ability to attract and retain skilled staff will contribute towards their competitive advantage” said respondent two.

Respondent three went on to say that it was their ability to attract investors, whilst respondent four stated that their good social brand is their competitive advantage, but that competitive advantage is more of a marketing function, as echoed by respondent six.

Respondent five talked about the multiplicity of expertise in their business being their competitive advantage, as well as the reputation that comes from it. Respondent seven confirmed that their strong market share was their competitive advantage and respondent eight substantiated that it was their strong financial results, thereafter directing the researcher to the sustainability reports to confirm figures.

Respondent nine pointed out that it is their boards that bring together groups of companies that allow for structure and reach on the ground that give them their competitive advantage. Their sheer size and number of people employed, said respondent ten, was what gave them their competitive advantage, whilst resp[illegible] was their brand and clear communication of their strategy to the shareholders.

Respondent four re-iterated that this competitive advantage is a marketing tool and went on to ask "how can you take people that are suffering and use them as a marketing tool?"

One respondent was not even aware that they were one of the best performers of the JSE's SRI. Four respondents confidently mentioned that there is competitive advantage gained from giving, whilst the others either did not want to make any commitment to it due to lack of evidence, or truly did not know.

These represent a range of different answers in terms of the businesses that companies are in and are all relevant in terms of the business that is carried out by the companies.

Further to this, as an additional supplementary check, the researcher searched for the word 'compete' in the sustainability reports and then recorded this in a table per respondent company. Thereafter, the core focus areas as per the sustainability report were added and reviewed in terms of alignment.

Table 20 displays a r[illegible]stainability reports, which revealed that the giving is somewhat aligned with what the company perceives to be its competitive positioning in all 15 cases.

Table 20 - Alignment of competitive positioning as per the sustainability reports and where companies give

Respondent I.D	JSE Sector	Competitive positioning as per report	Where they give	Is it aligned?
Respondent 1	Coal	Risk management Infrastructure Competitive pricing Improve productivity Skills development Employment	>Formal education >Skills development and capacity building >Enterprise development >Health and welfare >Environment > Infrastructure (related to socio-	Yes

			conomic projects) >Agriculture >Tourism >Sport and recreation.	
Respondent 2	Platinum	Improve productivity Compliance Labour costs and remuneration	>Community >Health and Safety >Education >Government >infrastructure >Sports development >Enterprise development >Community welfare, arts and culture Housing and living conditions	Yes
Respondent 3	Minerals	Skilled resources	>Education >Donations	Yes

		Remuneration Benefit to host nations and local communities	Education and training >Health and welfare >Community development >Environment >Water and sanitation >Disaster and emergency relief >Other >Sports, arts, culture and heritage	
Respondent 4	Building and construction	Operating efficiencies Skilled resources Remuneration	>Food >Education >Infrastructure >Job creation >Community training	Yes

		management Diversification		
Respondent 5	Other construction	Product offering Remuneration	>Mathematics, science and technology education, >Numeracy education in early childhood development >Environmental education. >Youth and sports development.	Yes
Respondent 6	Retail	Quality products Modern technology	>Surplus food and clothing donations >Food in schools >Education	Yes

		engagement Remuneration	Staff and workplace giving >Product donation Investment and money donation >MySchool donations - >Cause related Volunteering	
Respondent 7	Insurance – Non-life	Skilled resources Risk management Expertise Quality service	>Education, >Arts and culture >Youth security >Health >Development >programmes >Sport >Environment	Yes

Respondent 8	Life assurance	Remuneration Client centric Distribution footprint Compete along the value chain Products Costs High share price	>Education, >Environmental management, >Health and Skills development.	Yes
Respondent 9	Life assurance	Skilled resources Service delivery Pricing models	>Skills development	Yes

		New technologies, New products		
Respondent 10	Diversified industrials	Risk containment Develop suppliers to compete Climate change Skills training Reputation	>Human resource Development; >Skills development; >Transformation, >Health and Safety; >Community development	Yes
Respondent 11	Food processing	Skilled resources	>Health and welfare >Education >Skills uplifment	Yes
Respondent	Paper	Preferential	>Literacy	Yes

12		Skills and community upliftment Brand Low carbon footprint Build market position	Skills development and education >Job creation >Environment and HIV/AIDS	
Respondent 13	Other construction	Competitive supplier base Market related prices Remuneration Supporting quality and safety	>Social upliftment programmes >Donations and social grants >Education and training >Economic empowerment	Yes

Respondent 14	Diversified industrials	Look at stakeholders for improving Competitiveness Environmental products Employees	>Arts >Education >Environment >Health and welfare >Poverty alleviation and job creation >Leadership development >Combating crime >Sports development	Yes
Respondent 15	Banks	Competitive advantage is not in the report	>Community Initiatives of their choice >Group Wide Campaigns	Yes

The sustainability rep[illegible] to giving alone, but to corporate social responsibility as a whole, therefore the researcher enquired from the respondents what their perceptions were of the competitive advantage to be gained.

A review of the responses recorded in a pie chart in Figure 8 shows the perceived competitive advantage to be gained.

Figure 6 - Perceived competitive advantage

Preferential business from suppliers, government and customers displayed six responses. This was followed by four responses of long run benefits, whereby the beneficiar[illegible]es and customers and in the long run the country will have more skilled workers. Three responses were received for employee attraction and retention and brand and reputation, followed by two responses for improvement of the environment within which the business operates and investor confidence. There was only one response each of increase in market share and improved financial results.

These responses will be reviewed along with the literature findings to determine the similarities and differences in terms of competitive advantage to be gained from philanthropy.

5.3.14 Chapter summary

This chapter displayed the results from the questions as answered by the respondents from the sample set. The results are displayed with details of the number of responses per question. Content analysis on secondary data was also used to substantiate answers from the respondents to find similarities and differences in the views from formal reports and views from the actual decision-maker's view. The analysis of these results will be delved into as per the theory base in Chapter Six.

6. Analysis of re

6.1 Introduction

In this chapter the research questions were answered using the results attained from the qualitative data gathering. After analysing the various theoretical frameworks of Stakeholder Theory, Agency Theory and the Resource Based View for similarities and differences with respect to the literature, the results were reviewed in terms of how these decision-makers relate the giving to any gains in the competitive advantage of the company.

The research then culminated with conclusive findings in Chapter Seven. Thereafter the researcher suggests areas for future research that came to light during the research process, which were unfortunately beyond the scope of this research.

The interviews were based on three of the most popular theories around corporate social responsibility namely: Stakeholder Theory, Agency Theory and the Resource Based View. The interview guide was moulded around these theories to determine if, by the use of scarce resources and taking into account the most powerful stakeholder and giving in the interests of the company, giving can create a competitive advantage for the company.

Research question one explored the understanding of how philanthropy is viewed by South African decision-makers in the giving space. This is necessary to contextualise how the decision-makers perceived philanthropy and if what is carried out in South Africa is any different to the literature accessed for this research.

A view of the literature revealed that philanthropy does take into account strategic necessity, stakeholder expectations, and alignment with business goals. The respondents however did not believe that what they do in South Africa is philanthropy. One respondent said that “philanthropy is what you do with your own money and not shareholders’ money”, with another respondent saying that the “world view has evolved and the term philanthropy is outdated”.

A new term, ‘corporate social investment’, has thus been coined. These respondents firmly believe that what they do is invest for the purpose of a return on investment. Philanthropy is deemed to be short term, once off donations, that are not strategically aligned and therefore do not warrant a return on investment. The perception was that philanthropy is done to feel good and not for the benefit of empowering communities. Corporate social investment is seen as strategic, focused, long term giving with a required return on investment. Contrarily, whilst the respondents stated that what they did was strategic, many [illegible]t what they did gave them a “warm and fuzzy” feeling and the personal motivating factor was the ability to make a difference in the lives of the people that benefitted. For the purpose of this research however, these terms will be used interchangeably so that the concept is understood globally and is not restricted to the South African terminology for giving.

The respondents’ discomfort from using the word ‘philanthropy’ resonates from the many interpretations of the word and the context within which it is used around the world. Porter and Kramer (2002) established that philanthropy is a poorly defined term and can be defined as any charitable giving that has some definable theme, goal, approach or focus. This is possibly why the confusion exists amongst the respondents. The poor definition of the term seems to have resulted in an entirely new term so as not to confuse stakeholders with what the companies are engaging in.

The majority of the respondents had a programme in place along with a strategy for giving, therefore philanthropy in South Africa can be seen as strategically aligned with a purpose, with twelve respondents confirming that it is done with business intent. This further enhances Rumsey and White’s (2009) and Bonini and Chenevert’s (2008) arguments. They agreed that growing stakeholder expectations require that philanthropy take a more strategic focus and mutually enhance the business goals.

Visser (2006) went c [illegible] conomic responsibility in developing countries, therefore philanthropy and being a good corporate citizen is seen as the right thing to do. Respondents agreed with Visser (2006) that it was difficult to do business in a failing society, with respondent three asserting “You cannot do business in a socially and politically unstable country. You need to build political stability and support government. The company needs to meet its social obligation and help grow the economy by building the community where you operate. You cannot operate business successfully if the community around you is suffering. Social upliftment makes good business sense from a bottom line perspective. You need to be committed and give back to communities”.

Twelve respondents cited uplifting the community and eight respondents mentioned serving the national interests and being a good corporate citizen as the reason for giving and what their understanding of corporate social investment was. Respondents confirmed as per Seiffert *et al.* (2003) that the primary form of philanthropy was made up of the provision of a variety of resources, namely cash, skills, expertise, products, use of facilities and services, donations and sponsorships - either directly or indirectly to the various beneficiaries.

In a developing country, corporate philanthropy is therefore seen as a strategic necessity and the right thing to do in order to continue doing business, and therefore should be at the top of the pyramid of social responsibility. It is seen [illegible]nt that is required in order for business to thrive.

Business cannot operate successfully if they do not enable the community around them and the area within which they operate. The respondents believe that they will not be able to do business in that community, particularly as many of their employees are from these communities.

Table 5 reiterates the key themes that emerged as per Figure 8 in the results section regarding the question around the understanding of what corporate philanthropy is and why companies invest.

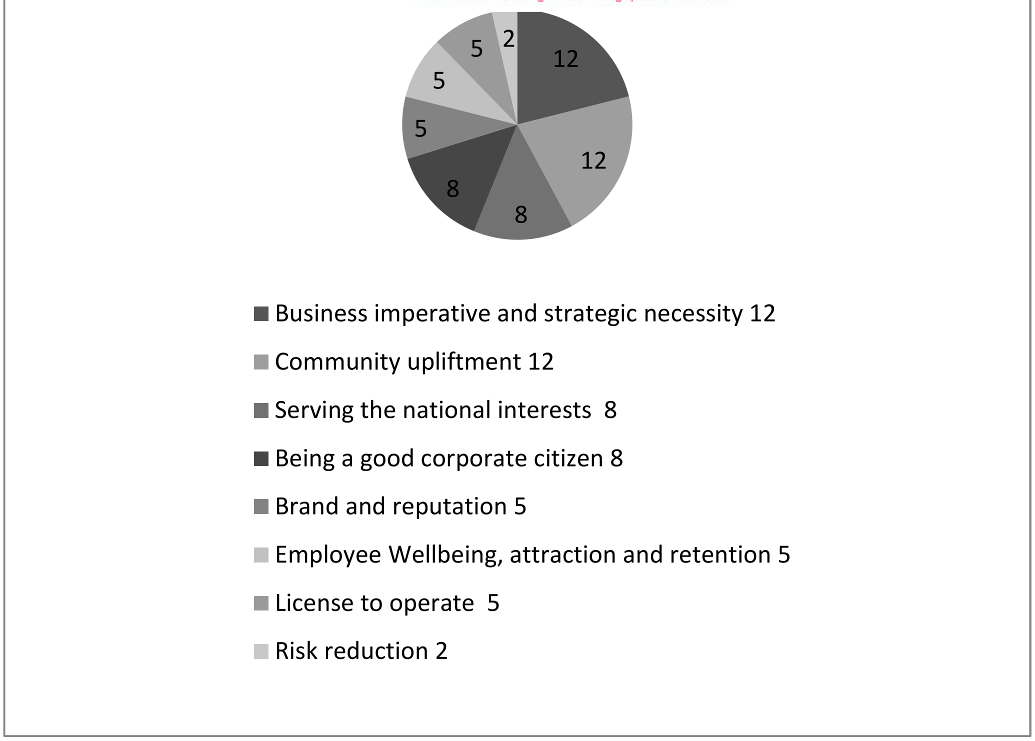


Figure 7 - Key themes for investing

Therefore the research finds that the understanding of what corporate social investment is amongst the respondents is very much in line with what the literature states that philanthropy is. However, philanthropy is not deemed to be discretionary or voluntary as stated by Rumsey and White (2009). To demonstrate that they are good corporate citizens that contribute and serve the society within which they operate, philanthropy is seen as a business imperative and the only way a company can do business and be successful. Furthermore, it is crucial for companies to ensure that the community within which they operate is uplifted in order for them to do business in those communities. In an economy that cannot sustain on its own, it is essential that business serves the national interest by partnering with government in order to succeed.

It is therefore important to note that the respondents all agreed that the investment made towards giving required a return on investment and was done strategically.

6.3 Research question two – Is there evidence of Agency Theory on behalf of the decision-maker when deciding where to give?

When managers divert shareholders wealth to satisfy their own interests (Card, Hallock, & Moretti, 2009), the concept of Agency Theory comes into play. According to Seiffert *et al. (*2003), firms exist to maximise the wealth of shareholders and other stakeholders are only important to the extent that they are maximising shareholders' wealth. In order to establish the presence of Agency Theory, the motivating factors behind the giving activity were determined.

This was supplemented with questions around the programmes that were in place for philanthropy, budgets allocate to giving, measurements and evaluation of those programmes, as well as processes and procedures around the giving. This was used in order to determine how much autonomy and transparency the decision-maker was exposed to in terms of shareholders money.

Only two respondents were without a structured programme governed by either legislation and/or strategy, which showed that giving had to be focused.

Respondents could nc ide how the money was allocated.

The focus areas differed according to the sectors. The mining sector has to comply with the long term social and labour plans which are as per the Mining Charter, without which they cannot operate as a mine. Mines are seen to be businesses that cannot continue indefinitely by the very nature of the business. Government therefore plays a large role to regulate this sector to ensure that whilst resources are being removed, the community is not prejudiced or exploited. The Mining Charter governs the programmes and focus areas for giving. Therefore an analysis of the mining sector and the programmes in place leave very little room for the decision-makers to act in self-interest.

The less regulated (in terms of corporate giving) financial and retail sectors do have programmes, but these do not appear to be as structured with defined goals and outcomes as the sectors that are regulated. Even the budget allocation can fluctuate where there is not a threat of regulation, however as one respondent mentioned, the recommended amount of 1% net profit after tax tends to restrict those companies that would have otherwise contributed more, but as a result of achieving maximum points for socio-economic development (as per the DTI good code of practice) with the stipulated contribution, they stop the contributions at this point.

The largest focus are e education, health and welfare and community development, with education a focus area of every programme. Eight respondents had a giving strategy in place and five confirmed that the strategy was directly aligned with the business strategy, whilst three confirmed that it ties into but does not align with the core business strategy. The key motivators for giving are business and strategic imperatives and community uplifment, which were mentioned twelve times, followed by; national interests and regulatory requirement which were mentioned five times each, and for the wellbeing of employees and to retain and attract employees.

A structured programme with key focus areas for giving will deter a decision-maker from being able to act in self-interest. Details of the programmes are usually available to shareholders in the sustainability reports and therefore need to be adhered to whether it be legislated or by means of strategic imperative.

All respondents have processes and procedures in place when deciding on resource allocation. Respondent ten confirmed that the ratio of administration costs to project costs was looked at and audited financials were required prior to allocation of the resources. Beneficiaries receiving the money were visited in order to determine of the fit the ratio of no more than 25% of administration costs and no less than 75% of project costs, to ensure maximum value for the beneficiaries is achieved from the projects. All the mining companies interviewed had to abide by the regulated social and labour plan and therefore had very li[illegible]nst the interests of the shareholders.

In terms of measurements and evaluation, only two respondents did not have measurements and evaluation procedures in place, with no plans of doing so in the future. Respondent nine confirmed that this is currently in progress and a senior manager will be appointed for this role.

Processes, procedures, measurements and evaluation allow for oversight and structure in terms of giving, which will also deter a decision-maker from giving in self-interest or for altruistic reasons. These measurements are usually reported on in the sustainability reports and therefore there are criteria that need to be adhered to which can prevent unfocused giving.

When questioned on the incentive to give, the respondents displayed discomfort towards this question and required clarification to remove ambiguity prior to answering. All fifteen respondents confirmed that they get paid a salary for their work done and there is no monetary gain to be achieved. Respondent three confirmed that monetary rewards can be seen as bribes and that integrity policies in the company prevent this.

The terms ‘feel good’, ‘warm and fuzzy’, and ‘made a difference to the lives of people’ were mentioned and were grouped under ‘Good Feeling’. These were mentioned six times. Positive effects on the financial performance as per Choi and Wang (2007) should ideally be a motivating factor to enhance shareholders' wealth w er found that this is not a key motivating factor for the respondents, with respondent one claiming that this could result in 'greenwashing' if this became the focus of the giving.

Whilst there was a level of altruism in that people felt good about the work that they did, the decision-makers did not give according to their personal attitudes, as suggested by Campbell, Gulas and Gruca (1999), as they still had to adhere to policies and procedures to ensure that the shareholder is not prejudiced by the giving. Even though awards were given to companies as recognition for doing well, this was not a key factor to motivate the giving. All respondents have a budget allocated to the philanthropic or social investment spend. Whilst many of the companies stick to the budget, some go over the budgeted amount and some have contingency amounts to cater for requests should they come through. With no personal monetary incentives and the budget allocation made available to all shareholders in the sustainability report, there is little evidence to show that the decision-makers detract from the maximising of shareholders' wealth as a result of exceeding the budget, but there is little evidence to prove that the giving was in favour of maximising the shareholders' wealth and financial performance of the company.

Budget allocations (whether it be the 1% net profit after tax as per recommended good practice or a rolling budget), a separate strategy aligned with the core business strategy, process and procedures and measurements and evaluation of the programmes ensure transparency and focus. This ensures that the Agenc ne decision making of the companies interviewed.

However an interesting finding that was revealed when questioning who the stakeholders were that were impacted, was that none of the respondents mentioned that shareholders were impacted as a result of the giving. Whilst shareholders are mentioned in other areas of the interviews, in terms of the question of which stakeholders are impacted, no single respondent mentioned the shareholder. Comparatively, all fifteen sustainability reports clearly and consistently mentions the shareholder as a stakeholder. This demonstrates that shareholders as a stakeholder are not considered when making a decision on giving.

However, the structured programmes, processes, procedures, monitoring, evaluation, budget allocation and lack of personal monetary rewards will ultimately ensure that the Agency Theory is predominantly absent from the giving in these companies. The respondents believe that they do operate with shareholders' money and believe that they have an obligation not to abuse it. However they also believe that by divulging what they do with the money attracts shareholders, and as the spending is reported on in the sustainability reports, it is therefore transparent to shareholders. Therefore all actions whilst serving the needs of the beneficiaries will be in the shareholders' interest, especially since they are reported on.

6.4 Research question … Stakeholder Theory when giving?

We live in an age of transparency. The name, brand, ethos, and philosophy of an organisation are exposed to the world. Customers are becoming participative in business operations; for example, negative product reviews may inspire a company to alter the manufacturing of that item. Collaborative activity has increased with integrated relationships between company, employees, customers, and even competitors (Van Zyl, 2011).

What this means for Stakeholder Theory in terms of corporate giving and the competitive advantage to be gained from giving, was explored. In Stakeholder Theory, companies are presented as organisations in which a diversity of actors accomplish multiple and sometimes conflicting purposes (Griseri & Seppala, 2010).

Questions 10, 11 and 12 in the interview guide were related to the stakeholders. In Chapter Five, the results from the interviews showed who the respondents thought of as stakeholders - compared to that of the sustainability reports - to distinguish similarities and differences in the output of results.

The power of these stakeholders was then determined and the measurement of impact on them was also questioned to understand if by virtue of the measurement, the maximum benefit can be attained. Without measurement and evaluation the cor efits of their achievement and therefore cannot substantiate their achievements to the shareholders or other stakeholders.

Questioning around who the stakeholders of the company are that are impacted by the giving resulted in responses with nine for community, eight for government and regulators and four responses for employees and NGOs. This is also due to the different sectors that were interviewed since different sectors have stakeholders with differing needs and as a result different power over the company.

Furthermore the research revealed that none of the sustainability reports and only one respondent regarded the competitor as a stakeholder. This finding is fundamental to the research around competitive advantage of giving as it displays that competitors are not considered when engaging in corporate philanthropy. As per Harrison, Bosse and Phillips (2010), stakeholders are groups or individuals who can affect, or are affected by, the strategic outcomes of the firm. Therefore it is surprising to find that the decision-makers and the annual reports do not take into account the competition in terms of giving.

When questioned about the power of these stakeholders to determine who they believe to be most powerful, the answers varied according to sector, with the mining and resource sectors giving one response as government and four as community as the most powerful stakeholders. The financial and other sectors gave four responses that management and the board ultimately controlled the decisio the retail sector citing employees and one financial company mentioning customers.

Respondent nine summarised “I would not say who is the most powerful, it depends. Without our customers we would not exist, without government we will have no licence to operate. We will have no employees if we do not have viable community. So if you looking at regulation then government as most powerful and if you are looking at profit then the customer is more important”.

Respondents 10 and 11 confirmed that they do not consider the stakeholders when giving and make the decision as a company. However when probed, they restated that beneficiaries would be the most powerful stakeholder as they would give where the need is the greatest. This displayed the lack of understanding about which stakeholders are impacted when giving.

Stakeholder Theory argues that the company welfare is maximised by meeting the needs of the firm’s important stakeholders in an advantageous manner. Stakeholder Theory has not been just about societal issues, but about real customers, suppliers, investors, employees and communities, and integrating and sustaining these relationships as part of a community with a common sense of what is valuable (Wheeler, Colbert, & Freeman, 2003).

Therefore a company cannot operate without a licence, and neither can it operate without customers or employees. It makes sense that these have are seen as the most powerful stakeholders, since in order to operate competitively, the ne akeholders need to be considered when giving.

However to get maximum advantage, the shareholders and investors must be given consideration as the company and the giving will cease to exist without these stakeholder groups interests being satisfied.

Nine respondents measure the outcome of their giving, with one respondent being in the process of measuring and evaluating. Respondent six confirmed that it is not just good enough to measure the output, but also the outcome of the projects as per the objective by saying that “The measurement guides you if you want to change the programme and do things differently”.

Respondent four felt that measuring was not necessary and even though dialogues with the beneficiaries were not recorded they did however take place. Some respondents relied on the NGOs for impact assessment, whilst others outsourced theirs or had internal tools, measurements and criteria in order to measure impact. Whilst these are not consistently measured across the industries, at present a majority of the companies do measure in order to be able to report on it in their sustainability reports.

Looking at where the companies give in terms of the focus areas in question four, the needs of the community, employees and government are considered first.

The highest focus area health and welfare, skills, training and development, and community development in terms of the sustainability reports and the answers provided.

As per Porter and Kramer (2002), the strength of the most powerful stakeholder will be diminished if their needs are met, which then in turn allows the company to be more competitive. If government is assisted with national priorities such as education, food security and skills development, this allows companies the licence to operate and also makes them available to be a preferential partner to do business with. If business is seen as good corporate citizens, they attract more customers and more people will want to buy from them.

Consistent measurement tools and engaging with stakeholders can, however, allow these decision-makers and people in the industry to use a single tool and standard of measurement to gauge the true impact on the stakeholder that they serve. To substantiate this, if the stakeholder is building a school or skilling learners or teachers, the measure of impact should be the pass rate at the school, for example. If maths and science are the targeted subjects, then the grades of students in the school for those subjects must be measured to determine impact. If this is consistently measured by all the companies that strive for education as one of their focus areas, then this will allow them to review their impact in a way that can ensure accurate and sustainable change.

As per Cummings and he key stakeholders who can thwart or provide support towards the success of the company is imperative. Once identified, a map of their influence and their relationships may be useful to provide companies with information about which groups need to be most influenced, based on their sources of power.

The research findings demonstrate that the mining sector understands who their most powerful stakeholders are in terms of the community within which they operate and the government who decides if they can operate in that community, and therefore all the giving is focused towards those communities and assisting government.

It is still not clear in the other sectors why the board and management were seen as the most powerful stakeholders. Whilst the board may have political power over the company, the stakeholders that have power, legitimacy and urgency are the stakeholders that need to be considered in order to gain the most advantage from giving. The research demonstrated that this was not clear to the key decision-makers of the non-mining sectors, where a majority mentioned the board and management as most powerful, with only one respondent referring to the employees and one the customer. The giving was as a result of the programmes that were in place as per a predefined strategy or based on where the need was the strongest.

The researcher found that many of the companies engage with NGOs or partners that are actually responsible for the giving, therefore they do not understand who the relationships with the stakeholders that benefit from the giving, whereas the mining and building and construction sectors engage with the communities within which they operate and therefore by knowing and understanding the needs of these stakeholders, these companies know how to allocate resources to meet the stakeholder needs.

6.5 Research question four – Does the Resource Based View get taken into account when giving?

The resource-based view (RBV) argues that firms that develop valuable, inimitable, rare, and non-substitutable capabilities will outperform their competitors (Allred, Fawcett, C.Wallin, & Magnan, 2011). This “static” view of the Resource Based View has expanded to focus on how a firm integrates and deploys its resources. Resources need to be allocated towards giving optimally and preferably to the most powerful stakeholder in order to gain competitive advantage.

According to the literature however, philanthropy may be seen as discretionary and is allocated from free cash flow and discretionary funds (Seiffert, Morris, & Bartkus, 2003).

In the South African context, the prescribed amount to be allocated is 1% net profit after tax. As per regulations in the Mining Charter, mines need to adhere to this amount retionary in terms of the mining sector.

None of the programmes were driven solely by employees, five were company driven and ten were a combination of employees and the company (employee contribution includes volunteering, fund matching, payroll contributions).

Many companies that are not engaging in employee volunteerism aspire to do so in the future. Respondent nine is proud of their volunteerism programme, stating that “we are a company with the largest staff volunteerism. Volunteerism depends on the leadership of the company, if the CEO volunteers then more people will volunteer”. Respondent ten mentioned that due to the sheer size of their company they could afford to have staff volunteerism.

Eleven responses confirmed that resources were for allocated towards focused projects that were as a result of the strategy and programmes in place, and two respondents mentioned that the giving was as per the staff’s request. Four responses were as per where the need was the strongest, with respondent ten having a combination of these to decide where the money goes. Only two respondents engaged in cause related marketing as a form of using products to enhance giving. According to Koehn and Ueng (2010), the Resource Based View can result in ‘greenwashing’, which respondent one confirmed could happen once companies start focusing on financial rewards.

All companies that participated in the research had a budget allocated to giving. Budget allocation was usually based on the 1% net profit after tax, which was understood sector wide as what needed to be adhered to in order to receive the five SED points. Respondent six, who did not conform to the percentage allocation but instead followed the company's annual budget process, said that "the percentage allocation prescribed is limiting. If you were spending more and realised you do not have to, you then reduce your spending and get your points anyway".

Therefore, in terms of the Resource Based View, South African companies have budgeted resources and employees' time and skills to allow for giving to continue in a manner decided on by focused programmes, the strategy of the company, where the need is strongest or as per the staff requests.

It is evident that whilst not all companies gave according to the prescribed amount of 1% net profit after tax, resource allocation in the South African context is not discretionary as per Seiffert, Morris and Bartkus (2003). All the respondents had a defined budget allocated towards giving for the year.

Appendix four shows that only two respondents actually reduced their spending from 2009 to 2010. This was due to a decrease in the top line amounts as reported on McGregor BFA. Even though their net profit after interest and tax had increased, they still chose to reduce their spending towards giving.

Seven other companies still chose to increase their investments even though their top line decreased from 2009 to 2010. Two companies had negative net profit after tax in 2009 and still contributed to their philanthropic spend. Three companies had their bottom lines decrease and two had their bottom line remain fairly consistent and they had also still increased their philanthropic spend.

This is all evidence that the Resource Based View does not hold true in terms of South African companies, as resources in terms of time, money and people will still be allocated towards giving as the need in this country is immense. Corporate philanthropy is seen as a “business imperative” and as “the right thing to do” in order to stay in business, and therefore even in the case where the spending is reduced when there are reduced earnings, it is not stopped altogether. By stopping the spending, this can negatively affect the brand, reputation and customer loyalty.

The companies, however, need to understand how to use the capabilities and resources that they have at their disposal to outperform their competitors and the research findings demonstrate that the resources that are available to the companies for philanthropy are not being used optimally to serve this purpose.

6.6 Research question … advantage from corporate philanthropy?

To gain competitive advantage is to choose a unique position and do things differently from competitors that lowers cost or serves the customer's needs better (Porter & Kramer, 2006). Hillmand and Keim, cited in (Li & Toppinen (2010), stressed that competitive advantage is relationship orientated and influenced by the key stakeholders in the firm. Prahalad, cited in (Li & Toppinen (2010) stated that these strategies can simultaneously serve the poor and make profits. Competitive advantage by its very nature requires a company to have a unique differentiating position. This needs to be reviewed per sector as each will have its own differentiator to acquire competitive advantage. Most companies adhered to similar focus areas for giving, therefore the researcher found very little that differentiated one company from the other when it came to uniqueness of the programmes, with most focusing on education, community upliftment and skills development.

The questions around the strategy of the company, length of time of the programmes, mix of resources, processes and procedures around giving, and competitive advantage were all used as determining factors to ascertain if a company can gain competitive advantage. Ideally, knowing the strategy of the company with projects being long term and with defined processes in place to ensure focus in the giving and understanding the mix of the resources used, can determine if the giving can translate to a competitive advantage for the company.

When asked what the strategy of the company was, many of the respondents displayed discomfort and six respondents answered in terms of the CSI strategy. One respondent even mentioned that the researcher should not ask what the strategy of the company was as they were unaware of it. Two respondents read from the annual report to confirm the strategy. One respondent claimed to not know what it was but attempted to answer. Only two respondents answered confidently. This displays that many of the decision-makers are not fully aware of the company strategy.

Eight respondents had a CSI strategy in place, with five respondents confirming that their CSI strategy is aligned to the core business strategy and three respondents confirming that it ties into, but is not completely aligned with, the core business strategy. Six respondents claimed to have only long term projects spanning from three to eight years and five confirmed that they have a combination of long and short term giving, where sometimes there is a need to provide a once-off donation, especially in the case of disaster relief. Respondent one mentioned that their "giving is long term because their business is long term" and respondents eleven and eight claimed that the giving needs to be long term for it to be sustainable so that they can see a difference.

All respondents had some form of processes and procedures in place to allocate the funds and these were given based on the programme created and the strategies which shows focused giving.

The competitors were not seen as stakeholders impacted by the giving, which raises concerns for competitive advantage to be gained from giving. When deciding where to give, these decision-makers should consider the competitors and how to reduce their power in order to gain competitive advantage over them. Competition to the respondents was seen as a deterring them from what they are responsible for. They do not see their jobs or roles as looking for competitive advantage. They perceive competitive advantage as a by-product of what they do and not a key reason for engaging in philanthropy.

Appendix 3 displays, as per the literature, that engaging in philanthropic activities such as money, goods, expertise and cause related marketing could result in enhanced brand, reputation, reduction in risk, trust and accounting and marketing returns. Furthermore, employee attraction and retention, innovative new products, customers willing to pay higher prices, negotiation with suppliers, and more investors and customers, could all be competitive advantages to be gained.

The respondents however believed that their roles are not determined with a measurement of increasing the bottom line. Their key measurements and evaluation are not how the bottom line is enhanced, but instead on the output and impact of their actions on those stakeholders that they serve. Philanthropy is not embarked on with increased market share in mind. The perception is that investors will increase and as a result of an increase in brand, image and rep[illegible]stomers and employees, maintain market share or perhaps increase it. They know that by not engaging in philanthropy that this will cause harm to the business. None of them are looking to differentiate or lower costs, however in terms of adding value, there is much to be gained by means of enhanced reputation and long term gains with preferential business from government and future customers. Advertising is rare and many companies engage in philanthropy without advertising their successes. They believe that the people that benefit from their products now will be future customers or employees. Innovative new products and new business opportunities were not considered as outcomes of philanthropic activities as suggested in the literature.

Many believe that collaboration in this field will yield greater, more sustainable results, in being a good corporate citizen. They believe that focusing on competitive advantage will derail them from their purpose of doing good and will change their focus from helping those in need to focusing on the bottom line. Their aim is to make South Africa as a country more competitive, instead of looking at the individual companies. Perhaps in a developing economy it is more important to work together to create a competitive country in a globalised economy rather than work towards individual company success. Doing this can then benefit the countries which will attract more FDI (foreign direct investment) and as a result assist all companies in improving their bottom lines. Already through philanthropy, the respondents that do operate globally have acknowledged that investors internationally consider their programmes for philar s propensity to do good when investing.

The researcher therefore found, that whilst there is a perception that philanthropy can increase the competitive advantage of companies, it is not the intention of the company to use philanthropy as a tool to enhance the competitiveness of the company.

To display the findings per research question in terms of the exploratory nature of the research, the summarised outcome of each research question is depicted in Table 21.

Table 21 - Summarised findings from the research questions

Research Question	Findings
1. **What is the understanding of corporate philanthropy**	The respondents referred to their giving as corporate social investments instead of philanthropy. This entailed the provision of money, time, expertise and products seen as business imperative towards those beneficiaries that most needed them in terms of a strategic necessity and national priority with an expected return on investment.
2. **Is there evidence of Agency Theory?**	Whilst the decision makers displayed an altruistic nature about the motivations for giving, policies, procedures, reporting and measurements ensured that decision makers did not act in self-interest when giving

3. **Is there evic Stakeholder Theory?**	sectors, stakeholder engagement based on power, legitimacy and urgency were evident. The financial, retail sectors displayed less of this than the mining and construction sectors who understand that their stakeholders need to be actively engaged based on the power that they have over the licence to operate requirements
4. **Does the Resource Based View get taken into account?**	Whilst the giving is budgeted for, resources are not optimally used in order to aid in the competitive advantage of the company.
5. **Is there competitive advantage to be gained from corporate philanthropy?**	There is competitive advantage to be gained from corporate philanthropy; however the decision makers that were interviewed see philanthropy and competitive advantage as disparate objectives. The majority do not believe in using giving as a tool to enhance the competitiveness of the company.

This chapter highlighted, summarised and analysed the results from Chapter Five with respect to the theory from Chapter Two and the research questions from Chapter Three. The main findings from the analysis and areas for future research will follow in Chapter Seven.

7. Conclusions a

7.1 Introduction

This chapter will highlight the findings from the previous chapters with a culmination of the main findings and what this means for the decision-makers who are engaged in corporate philanthropy. A module was proposed using the core theories investigated to propose how philanthropy can be used to gain competitive advantage.

7.2 Main findings

Philanthropy is a term seldom used when relating to a company's giving. Instead, the terms 'corporate social investment' and 'socio-economic development' are used. The findings indicate that whilst a majority of the respondents interviewed consider it business imperative to give and deem that their giving is aligned with the core strategy of the company, the giving is more focused towards fulfilling a need to uplift the communities within which they operate and to take into account national priorities.

This differs from the literature; where giving is seen to be discretionary spend. Companies interviewed believe that one cannot do business without investing in philanthropy and therefore there are allocated budgets towards giving. In addition, the results differ across sectors. For those sectors for which the licence to operate is not impacted, the giving appeared to be less strategic in terms of stakeholder er ondents, besides those in the mining and construction sectors, were not fully aware of how engaging stakeholders based on their power could influence the competitive advantage of the company.

Policies, procedures, reporting and measurements deter the decision-makers from giving in self-interest, thus protecting shareholder wealth, however resources that are available towards philanthropy are not perceived to be optimally utilised to contribute towards enhancing the company's capabilities in aid of enhancing competitive advantage.

The main finding of this research was that amongst those respondents interviewed across the sectors, corporate philanthropy is not seen as a tool to enhance the competitive advantage of companies. In fact, whilst respondents acknowledged that indirectly it can impact or improve the advantage of the firm to compete, giving alone cannot, and perhaps should not, be used as a competitive weapon as it will detract from the purpose of doing good.

In order to aid decision-makers in attaining competitive advantage through philanthropy, they need to view philanthropy as a business decision, as they do other strategic decisions. The model below based on the theories reference provides a framework to guide decision-makers to achieve competitive advantage if all three of these are considered when making the decision on where to give.

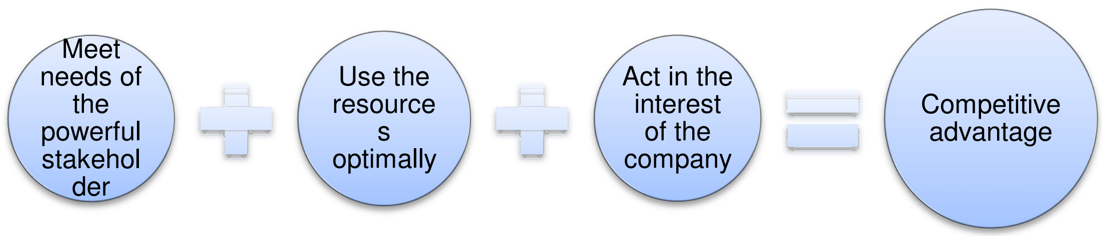


Figure 8 - Model for Competitive advantage from Philanthropy

Figure 8 suggests that by meeting the needs of the most powerful stakeholders (be it the community, government, employees, customers) using the resource allocation (time, money, expertise) optimally and acting in the interest of the company (enhance shareholder wealth) when giving, should result in the competitive advantage of the company.

This was tested in the research to determine if the key decision-makers believed that their actions in terms of engaging the most powerful stakeholder using the resources available to them in line with the strategy of the company, could in fact result in a competitive advantage for the company. The decision-makers did not seem to have a framework for competitive advantage in terms of philanthropy, as this giving was not seen as a competitive tool. Utilising this framework when giving can assist in maximising the benefit that can be achieved when giving, making this more strategic.

Whilst advertising and marketing the philanthropic activities is frowned upon by many of the respondents, the benefits of awareness can allow for further gains to the bottom line, which will ultimately enhance the funds available for philanthropic work. By improving the bottom line and net profit after tax, the 1% allocation that is usually used as a baseline will also increase accordingly.

By engaging stakeholders, new and innovative business opportunities can emerge. The use of employees as a resource and building their capabilities to assist in doing good need also be reviewed in terms of advantages to be gained.

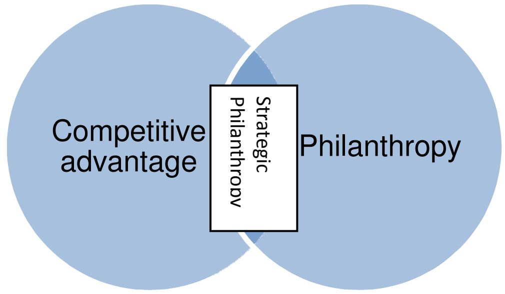


Figure 9 - Strategic philanthropy from doing good and competitive advantage

The perception that competitive advantage and philanthropy are disparate needs to change. Competitive advantage and philanthropy need not be mutually exclusive - they can occur simultaneously. Common ground as per Figure 9 can be achieved if the people that are responsible for the decision-making understand how the resources available to them can be used optimally to gain competitive advantage, even if this means partnering with suppliers and other stakeholders to achieve maximum benefit from their philanthropic programmes.

According to Porter and Kramer (2011), we need a more sophisticated form of capitalism; one imbued with a social purpose. This should arise not out of charity, but out of a deeper understanding of competition and economic value creation. This next evolution in the capitalist model recognises new and better ways to develop products, serve markets, and build productive enterprises.

Creating shared value ception of Adam Smith's invisible hand. It opens the doors of the pin factory to a wider set of influences. It is not philanthropy but self-interested behaviour to create economic value by creating societal value. If all companies individually pursued shared value connected to their particular businesses, society's overall interests would be served. Companies would acquire legitimacy in the eyes of the communities in which they operate, which would allow democracy to work as governments set policies that foster and support business. Survival of the fittest would still prevail, but market competition would benefit society in ways we have lost (Porter & Kramer, 2011).

7.3 Areas for future research

As the researcher questioned the interviewees and consulted the literature for the purpose of this research, there were many interesting developments that were out of the scope of this research but would be useful for marketers and CSI practioners alike. These are mentioned below:

- Employee retention and staff satisfaction in direct relation to the company's giving. It would be useful for companies to gauge that if people are seen to be their competitive advantage, how effective their giving programmes are in terms of attracting and retaining staff.
- The benefits of collaboration amongst business partners in terms of giving. The research should aim to measure the impact and benefits achieved from

partnering when givin as a company. Pooled resources can allow for greater impact to do good. Partnering can be done between a bank and a retailer for example, where the retailer can take care of the feeding programme whilst the bank can cater for the education. This can ensure that the competitive advantage is not eroded since they are not essentially operating in the same competitive environment.

- Respondents mentioned that competitive advantage is a marketing function. This research can be done from the point of view of marketing in terms of the competitive advantage gained instead of the CSI specialists and how giving benefits the financials of the company.
- A deeper sectoral analysis of this research needs to be done with a larger sample size per sector to get differing views across sectors.
- Research into how many customers have changed or bought the product or service that they use as a result of the company's giving activity. This would be useful to determine if this can be used as a marketing tool.
- Research can be done across the world to determine the focus areas of giving and the similarities and differences of the giving based on the society in which the business operates.
- Qualitative research of this nature should be followed by quantitative research with a larger sample size to provide more conclusive results.

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9. List of Appendices

Appendix 1 – Interview Guide for in-depth interview

Appendix 2 – Informed Consent Letter for in-depth interview

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Appendix 5 – List of respondents

Appendix 6 – Interview Schedule

Appendix 1 – Interview Guide for in–depth interview

Personal Introduction – I am Shubnum Nazeer undertaking research for the MBA for GIBS. The interviewee will be thanked for their time and participation and will be assured of anonymity.

Purpose of the study - Indicate the purpose of the study is to ascertain to what extent stakeholders and resources are considered and allocated to philanthropy/ charitable giving/ social investments in the firm and if this contributes to the competitive advantage of the company.

Research Process - Provide an indication of the methodology of a semi structured interview process and place the interviewee at ease as well as give an indication of how the results will be used.

Interview Process - Place the interviewee at ease by providing an overview of the interview process and assure the interviewee that their insights are required to add rigour to the research process.

Organisation: ____

Name: ____

Position: ____

The interviewee has been informed of the background to this research, understands the confidentiality of data provided and provides full consent to being interviewed (without any inducement by the interviewer)

Corporate Philanthropy

1. What is your understanding of Corporate Philanthropy?

2. Do you have a charitable giving programme? Describe it.

Who created it and what it is all about and who runs it?

3. What is your company's strategy? *Differentiation, Focus and/Low cost*

4. Is the charitable giving activity long term (ongoing) or short term? *Please elaborate why said time frame is selected?*

5. Does charitabl company's mission and strategy?

Please elaborate

6. Do you consider the strategy of the business when making the decision on where to give? *If yes, how is the giving related to the strategy of the company? If no, are there any plans to ensure this in the future?*

Agency Theory

7. What are the key motivators for engaging in corporate charitable giving *(business or altruistic)*

8. Are there processes and procedures to decide where the charitable giving/ social investments go to (be it money, products or time)? *If yes, please elaborate.*

9. Are their personal benefits for engaging in corporate charitable giving/ social investments?

Rewards, Awards or Incentives. If yes, how important are these rewards in motivating the giving? If no, will having rewards provide an incentive to be more giving?

<u>Stakeholder Theory</u>

10. Who are the stakeholders impacted as a result of the charitable giving/ social investments? Why?

Employees (time, skills), suppliers (efficiencies and better relationship), customers (new products, new customers), competitors (new products)

11. Which of these stakeholders yield the most power and is the decision to give based on the power of the stakeholder? Has there been any power shifts as a result of philanthropy?

12. Is there any measure of the impact on the stakeholders? What benefits are achieved by the business and by the stakeholders?

Surveys, focus groups?

<u>Resource Based View</u>

13. Is the programme employee driven or company driven? *Please elaborate why.*

14. Is there a budget for charitable giving/ social investments? *If yes - how does the budget get determined?*

15. How is the mi … charitable giving/ social investments decided?

Resources can be tangible (fixed assets, capital) and intangible (knowledge, talent, brand, image, reputation).

<u>Competitive Advantage</u>

16. What is your understanding of competitive advantage?

17. What is your company's competitive advantage?

Tangible and intangible

18. Is there evidence of an increase in competitive advantage as a result of the charitable giving/ social investments? *Please elaborate.*

Increased market shar[illegible], increase in number of customers/sales, reduce operating cost, gains in efficiency from supplier relationships and cost efficient products, increased productivity, customer loyalty, enhanced brand/reputation, differentiation, new products, new markets, new innovations

19. Is there anything you would like to add in closing on charitable giving and its impact on the company's competitive advantage that has not been covered above?

GORDON INSTITUTE OF BUSINESS SCIENCE

University of Pretoria

Name of Interviewee: ____

Designation: ____

Organisation: ____

Date of Interview: ____

Length of time with the company (years): _________________________

Good Day

I am conducting research on the Competitive Advantage gained from Corporate Philanthropy and would like to explore further the perspectives on the consideration of stakeholder relationships, the decision makers own interests as well as resource allocation when engaging in philanthropic activities within the firm. Your input and expertise in respect of this topic in your respective organisation which you will be able to provide by means of an interview will be much appreciated.

The duration of the interview should not exceed an hour and your participation is voluntary (you are able to withdraw at any time without penalty). All data and kept strictly confidential. Should you require any information regarding specific interview questions or if you have any concerns, you are most welcome to contact me or my supervisor at the contact details given below:

Researcher: Shubnum Nazeer **Research Supervisor:** Donald Gibson

Email: snazeer@silica.net **Email:** gibsond@gibs.co.za

Cell: 083 531 2794 **Cell:** 082 782 9455

Signature of Participant: ____________________________

Date: ____________________________

Signature of Researcher: ____________________________

Date: ____________________________

Table 22 was developed based on the theories and literature review and was used as a basis of assumption to develop the semi-structured questionnaire and finding themes for the answers provided.

Table 22 - Assumed Activities, Motivations, Benefits and Competitive advantage gained based on the literature review

Motivation to give	Activities that can be undertaken	Benefits that can be achieved	Competitive Advantage to be?	Literature cited
Branding	Cause Related Marketing In Kind donations	Goodwill increases, new business opportunities	Strong Brand, new business and innovation	(Campbell, Gulas, & Gruca, 1999); (Halme & Laurila, 2009);
Reputation	Cash Donations and Employee Volunteering	More investments, more customers	Higher Market share	(Williams & Barrett, 2000); (Brammer & Millington, 2005)
Positive Image	Donations and Employee	More investors and	Larger customer base	(Seiffert, Morris, & Bartkus, 2003);

Trust	In donations. Employee Volunteering, Talent sharing	investors and customers. Better stakeholder relationships	tiate costs and payback period with suppliers, Customers willing to pay price. Employee retention, competitors become	(Stanwick & Stanwick, 2008); (Lev, Petrovits, & Radhakrishnan, 2010); (Namin, Cho, & Lee, 2010)
Risk Reduction	Talent and Employee Volunteering	Reduces costs and more customers	Lower operational costs, innovation	(Miron, Petcu, & Sobolevschi, 2011); (Maas & Liket, 2010)
Employee volunteering	Employee Volunteering	Motivated employees	Highly motivated	(Stanwick & Stanwick,
Accounting Returns	Donations and CRM	Increased sales, increase in ROI	Increases bottom line	(Campbell, Moore, & Metzger, 2002); (Miron, Petcu, & Sobolevschi,
Market Returns	Donations and CRM	Increase in Stock value	Increases top and bottom line	(Campbell, Moore, & Metzger, 2002)

The information depicted below is taken from a range of sources, namely the company sustainability reports, the CSI handbook (13th Edition) by Trialogue and the financial details that were referred to were from the company's financial statements derived from McGregor BFA's research domain. The financial performance of the companies based on their NPAIT (net profit after interest and tax) over a period of a year from 2009 to 2010 was looked at and used to determine if the CSI spend is impacted by the company's bottom line performance.

Some of the companies reported in foreign currencies and therefore the researcher opted to display either an increase, decrease or little change for consistency in reporting.

Table 23 - CSI Spend

JSE Sector	Spend 2010 (Millions)	Spend 2009 (Millions)	NPAIT 2010 change from 2009
Banks	83 **Decreased**	102	Increased
Metals and minerals (USD)	111 Increased	82.5	Increased
Diversified industrials	10.70 Increased	7.69	Increased
Diversified industrials	47.2 Increased	33.4	Increased
Coal	38.6 Increased	31.4	Increased
Other construction	7.9 Increased	4.5	Decreased
Platinum	88 Increased	60	Decreased
Other construction	22.2 Increased	21.1	Decreased
Life assurance	30 **Decreased**	31	Increased

GBP			
Building and construction materials	8.5 Increased	6	Remained about the same
Life assurance	19.30 Remained more or less same	19	Increased
Insurance – non life	7.2 Figures unknown for previous year	?	Increased
Paper USD	15.75 Increased	6.4	Increased
Food processors	75.6 Figures unknown for previous year	?	Increased
Retailer – Multi department	314 Increased	292	Remained about the same

Due to the small sample size, the researcher opted to display the sector the company operated instead of the name of the company and respondent in order to maintain the anonymity of the results. The JSE sectors were derived as they are represented on the Sharenet website.

Interview	JSE Sector	Designation	Length of Service
1	Banks	Head : CSI	Not provided
2	Metals and minerals	Social Performance Specialist	2 years
3	Platinum	Group Sustainable Development Manager	5 years
4	Other construction	Group Corporate Social Investment Manager	2 years and 6 months
5	Building and construction materials	CSI Manager	11 years
6	Life assurance	Chief of Corporate Social Investment	Not provided

7	Insur non-life	ocial Investment Manager	2 years
8	Diversified industrials	Corporate Social Investment Specialist	13 years
9	Food processors	IR and Communications Executive	10 years
10	Retailers – Multi department	Corporate Social Investment Specialist	8 years
11	Life assurance	General Manager: Corporate Affairs	2 years
12	Other construction	Group Communication and Corporate Affairs Director	3 years
13	Diversified industrials	Head: Sustainability	23 years
14	Paper	Group Head Corporate Affairs	10 years
15	Coal	Manager: Risk and Sustainable Dev.	16 years

Interview	Interview Date	Interview Time	Reference	Data Collection Method
1	17th August	8h30 – 9h30	(Respondent 1,2011)	Telephonic
2	17th August	12h30 – 13h30	(Respondent 2,2011)	Telephonic
3	19th August	11h00 - 12h00	(Respondent 3,2011)	Telephonic
4	29th August	14h00 - 15h00	(Respondent 4,2011)	Telephonic
5	5th September	13h00 – 14h00	(Respondent 5,2011)	Face-to-Face
6	6thSeptember	10h00 – 11h00	(Respondent 6,2011)	Telephonic
7	7th September	11h00 – 12h00	(Respondent 7,2011)	Telephonic
8	15th September	13h30 – 14h30	(Respondent 8,2011)	Telephonic
9	19th September	12h00 – 13h00	(Respondent 9,2011)	Face-to-Face
10	20th	11h30 –	(Responden	Face-to-Face

	Septemb			
11	20th September	14h00 – 15h00	(Respondent 11,2011)	Telephonic
12	23rd September	11h30 – 12h30	(Respondent 12,2011)	Face-to-Face
13	26th September	14h00 – 15h00	(Respondent 13,2011)	Face-to-face
14	12th September	n/a	(Respondent 14,2011)	Questionnaire
15	29th September	n/a	(Respondent 15,2011)	Questionnaire