An exploration of community perceptions of elements of corporate social investments and value creation: A stakeholder theory perspective

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Declaration of Originality

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MASEKOAMENG KOLOBE ELIZABETH

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Ethics statement

The author, whose name appears on the title page of this thesis, has obtained, for the research described in this work, the applicable research ethics approval. The author declares that he/she has observed the ethical standards required in terms of the University of Pretoria's Code of ethics for researchers and the Policy guidelines for responsible research.

Abstract

Value creation is central to stakeholder theory, which suggests that firms should take into account the interests of, and create value for, all its stakeholders. However, literature on stakeholder value creation has focused on value creation processes and elements of value creation for other stakeholders such as suppliers, shareholders and customers, with limited attention on communities as a stakeholder. Meanwhile, the limited literature available on community/social value creation has focused on the definition of the construct and observed outcomes of the value creation process without investigating elements that influence such outcomes. This research addressed this gap by exploring communities' interpretation of elements that influence social value outcomes and appraisals of such outcomes, based on their experience of Corporate Social Investment (CSI) initiatives.

The study used a qualitative multiple case study approach focusing on three communities in different geographic areas of South Africa that had experience with CSI projects implemented by three different firms in their locality. A total of 39 semi-structured interviews were conducted with community members in these communities.

The findings of this study provide a community perspective of various elements that affect social value creation, value capture and value sustenance. These include elements such as local government involvement, firm understanding of local social needs, quality of engagements and corruption. By providing a community perspective of these elements, this research makes a contribution to stakeholder theory of value creation which has for a long time lacked this perspective.

The study also present various reference states or factors that influence community perceptions and judgements (satisfaction or dissatisfaction) with CSI activities of a particular firm. These include external reference states such as communities' comparison of what they received from a firm versus that received by other communities, the presence of offsetting and trade-off conditions, as well as internal reference states such as perceived firm capabilities and perceived econo-political justice. By highlighting these elements, this research expands theories regarding various reference states that influence stakeholder judgements. Consequently, the study presents a model for social value judgement from a community perspective.

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Abbreviations

ANC	African National Congress
BAP	Best Available Practices
BAT	Best Available Technologies
BBBEE	Broad-Based Black Economic Empowerment
BEE	Black Economic Empowerment
CEO	Chief Executive Officer
CSP	Corporate Social Performance
CSI	Corporate social investment
CSR	Corporate social responsibility
IDP	Integrated Development Plan
IPILRA	Interim Protection of Informal Land Rights Act
ISCT	Integrated Social Contract Theory
IT	Information Technology
LED	Local Economic Development
LG	Local government
M&E	Monitoring and Evaluation
MD	Managing Director
MNE	Multinational Enterprise
MPRDA	Mineral and Petroleum Resources Development Act
NDP	National Development Plan
NGO	Non-Governmental Organisation
NRBV	Natural Resource-Based View of the firm and dynamic capabilities
PPP	Public Private Partnership
QLFS	Quarterly Labour Force Survey
ROI	Return on Investment
SATI	South African Translators' Institute
SGB	School Governing Body
SLP	Social Labour Plan
SROI	Social Return on Investment
ST	Stakeholder Theory
SV	Social Value
TIMSS	Trends in International Mathematics and Science Study
UN	United Nations

WENR	World Education News and Reviews
YDP	Youth Development Programme
ZAR	Zuid-Afrikaansche Republiek

Chapter 1 : Introduction

1.1. Introductory background

Stakeholder theory posits that firms should take care of the interests of their stakeholders (investors, employees, suppliers, governments, customers, communities, and media) because stakeholders can affect the firm's success and because it is the morally right thing to do (Asgary & Li, 2016; Donaldson & Preston, 1995; Freeman et al., 2004; Phillips, 2003). Stakeholder theory of value creation further advances that firms should take into account the interest of stakeholders in order to create value for these stakeholders (Lieberman et al., 2017). Implicitly, firms should take into account the interests of, and create value for, communities as stakeholders to the firm.

Value means different things for different stakeholders (Section 2.1.1). In this research, value for communities (referred to hereafter as social value) is defined as the ability of an intervention or a programme to effectively address social needs, which manifests as positive satisfaction of beneficiaries (community members) in specific life domains of needs after programme execution (Kroeger & Weber, 2015). Simply put, according to Kroeger and Weber (2015), community/social value is created when beneficiaries are more satisfied after the programme than they were before in the specific life domains.

In order to create value specifically for community stakeholders (social value), firms undertake corporate social investment (CSI) programmes/initiatives as part of their corporate social responsibility (CSR). Hence, Asgary and Li (2016) have affirmed that firms approach CSR from a stakeholder theory perspective or stakeholder value creation perspective. CSI programmes encompass those programmes that are aimed at improving community wellbeing (Asgary & Li, 2016; Carroll, 1979; Kotler & Lee, 2004). They include, among others, bursaries, donations, entrepreneur development, infrastructure development, technological support, early childhood support, religious and cultural support, overall goods and services offerings (Asgary & Li, 2016; Bowen et al., 2010; Dembek et al., 2016; Ezzi & Jarboui, 2016; Jonikas, 2012; Kotler & Lee, 2004). Section 2.2.3 provides details on what CSR is *not* for the purpose of this research.

1.2. Theoretical problem

Although stakeholder theory has been researched for years, the debates have focused predominantly on the legitimacy of stakeholders. These studies are concerned with which stakeholder groups firms should be accountable for and which stakeholders must be prioritised (Donaldson & Preston, 1995; Freeman et al., 2007; Gibson, 2000; Kaufman & Englander,

2011; Mitchell et al., 1997; Phillips, 2003). Even more attention was given to the instrumentality of stakeholder theory, that is, how do firms benefit from taking into account stakeholder interests (Ameer & Othman, 2012; Lopez et al., 2007; Rodriguez-Fernandez, 2016; Yadava & Sinha, 2016).

Limited empirical research efforts (Harrison & Wicks, 2013; Lankoski et al., 2016) have gone into using stakeholder theory as a lens to understand stakeholder value creation. This is despite well-supported claims that value creation *for stakeholders* (not just the firm) is central to this theory (Harrison & Wicks, 2013; Husted & Allen, 2009; Jonikas, 2014; Lieberman et al., 2017). This is more so for communities as stakeholders to a firm. While there is a better understanding of the value creation process (including elements that affect stakeholder value creation) for other stakeholders, such is lacking for community stakeholders. This has also been confirmed by other authors in recent years (Bolton et al., 2011; Jung & Kim, 2016; Kroeger & Weber, 2015; Lingane & Olsen, 2004; Rawhouser et al., 2017; Stephan et al., 2016; Utting, 2009).

Meanwhile, the social value creation literature has focused on conceptual definitions of the construct (Kroeger & Weber, 2015; Lingane & Olsen, 2004; McWilliams & Siegel, 2011) and the motives of firms for engaging in social value creating programmes as part of their CSR (Aguilera et al., 2007; Garriga & Melé, 2004; Wood, 1991). The latter has also been supported by empirical research that demonstrated how CSR influences shareholder value and firm performance (Alhouti et al., 2016; Asgary & Li, 2016; Rodriguez-Fernandez, 2016), thereby reinforcing CSR motives.

There is also a developing literature focusing on the outcomes of CSR (Jung & Kim, 2016; Romijn & Caniëls, 2011; Utting, 2009). Such outcomes include for example improvements in income levels, improvements in community infrastructure and improvements in social capital (Utting, 2009) and lowered employment rates (Jung & Kim, 2016). This CSR-outcomes-based literature challenges the long-standing assumption that CSI is only *doing good* for communities (Rawhouser et al., 2017). It shows that firms' CSI activities can have actual and/or perceived positive outcomes or negative outcomes. This means that even the firms' *good deeds* can have unpleasant outcomes (Jung & Kim, 2016; Romijn & Caniëls, 2011; Utting, 2009).

This point to the need to first understand the conditions under which CSR outcomes become positive or negative elements affecting social value. That is, when do CSR activities add value, cause no change or even cause harm? Such an evaluation or judgement of whether the outcome is positive or negative depends on the analytical assessment by stakeholders/community members that are receiving the value, or intended value (Lankoski et

al., 2016). Hence, it is also important to understand what factors influence their positive or negative judgements.

Owing to the scarcity of literature on elements of social value creation in stakeholder theory, this research reviewed social programme management literature to identify elements that contribute to social *programme success* as a parallel to social value creation. Programme management literature was reviewed because, as indicated earlier, community/social value is created through the implementation of some form of an intervention or programme, in this case CSR programmes (Kroeger & Weber, 2015). Consequently, programme success could be used as a parallel to positive social outcomes that may be used in understanding social value (Rawhouser et al., 2017).

Authors in this field have demonstrated that the success of a programme is driven by factors such as leadership support, attitudes and perceptions of implementing personnel, skills levels of the beneficiaries, understanding of the implementing environment, effective consultations, early detection of problems and flexibility, and delays caused by bureaucratic administration systems (Table 1) (Diallo & Thuillier, 2004; Khang & Moe, 2008; Struyk, 2007; Yalegama et al., 2016). While these factors from these studies can be used as a parallel in understanding elements contributing to social value creation by firms, the studies have limitations.

Most authors have studied processes and elements contributing to successful programme outcomes in the context of developmental and government programmes (Diallo & Thuillier, 2004; Khan et al., 2000; Khang & Moe, 2008; Struyk, 2007). This study, on the other hand, explored such elements in the context of firms' social programmes. This is an important distinction because development organisations and firms have different motives for engaging in social interventions (Fontrodona et al., 2006; Yalegama et al., 2016). That is, while the motive of developmental organisations is purely to address social and economic needs (normative), the motives of the firm can be both normative and/or instrumental (Aguilera et al., 2007; Wood, 1991). These difference in motives can influence value creation and perceived value.

Furthermore, what is deemed to be success in the general programme management literature is often theoretically different from what is deemed to be success for CSI. The outcome/success variable in the stated social programme management literature has been defined as the ability of a programme or project to improve social capital (Yalegama et al., 2016). It has also been defined as project performance in time, cost, perceived quality and/or the reputation earned by the project; usually from the coordinator's perspective (Diallo & Thuillier, 2004). In a firm-community context and as per definition of social value in this research, the outcome/success variable is community beneficiaries' *satisfaction* with CSI

outcomes – the social value of a programme (Kroeger & Weber, 2015). This distinction is important because as Cooke-Davies (2002) and Lavagnon (2009) have argued, how research describes and determines success variables will affect the elements that contribute to that variable.

This means that research is needed not only to understand elements and conditions that make social projects successful on the traditional time-cost-quality dimension, but also on the beneficiary satisfaction dimension in firm-community project contexts. This shifts research from the assumption that projects can be uniformly assessed, to acknowledging that different stakeholders can judge the same social project differently. Thus, even the most successful project can be judged as successful or unsuccessful depending on the type of stakeholder and on individuals in the same stakeholder group.

The latter invokes the question of what elements influence stakeholders' judgements of whether a CSI activity has created value (was successful) or not. A few authors (Bitektine, 2011; Harrison and Wicks, 2013; and Lankoski et al., 2016) reported factors that influence stakeholder judgements. These include among others: benchmarking against past firm performance, against what other firms in similar markets are doing, against moral standards, against perceived justice or against some internal aspirations.

This literature however does not provide specific types or examples of internal reference states that stakeholders use when making judgements. The authors (Lankoski et al., 2016) acknowledge that the specific types of internal reference states are context dependent, which means that they need to be explored in specific firm-stakeholder relations contexts. Hence, this research explored through empirical research, internal factors/ reference states and other factors that influence judgements made by specific stakeholders (communities in this case) in their context.

1.3. Problem statement

The theoretical problems above can be summarised in a statement as follows:

"*There is a lack of understanding of communities' qualitative perceptions of social value creation processes by firms, including the elements that contribute to social value creation, from a stakeholder theory perspective.*"

This lack of understanding is concerning because if stakeholder theory posits that firms must create value for stakeholders, then value creation processes must be understood from specific stakeholders' perspectives because different stakeholders will have different interpretations of

value (Harrison & Wicks, 2013; Lankoski et al., 2016). Such an understanding should not be limited to the firm's perspective or the researcher's theoretical perspective. This in line with Lankoski et al.'s (2016) notion of a "stakeholder-centred" view of value. Hence, it was important for this research to obtain an understanding of value creation processes and associated elements from the communities' perspective.

Community perceptions are specifically important for understanding social value because, by definition, community/societal value is about the satisfaction of the beneficiaries with the outcomes of the intervention (Kroeger & Weber, 2015) and not the managers' satisfaction. In spite of the difference in definitions of social value (section 2.2), most authors agree that social value is determined by the beneficiaries themselves (in this case, communities).

A similar argument has been made in literature pertaining to value creation for other stakeholders. For example, in the customer value literature, authors are unanimous that value is determined at the point of utilisation of products and services *by the consumer* (Kumar & Reinartz, 2016; Leroi-Werelds et al., 2014; Payne & Holt, 2001; Ulaga, 2001; Zeithaml, 1988). This logic can also be applied in the context of social value, given that communities are sometimes viewed as consumers of CSR initiatives (CSR services and products) (Harrison & Wicks, 2013; McWilliams & Siegel, 2011). Hence, the need to assess value at the user level (community level) *by community members* and not from a managerial and researcher perspective alone.

In addition to the theoretical problems above, the lack of community perspectives on social value creation is also concerning for practice and society. If managers do not understand how communities perceive the process, they are unable to deliver as per what the communities value. Then CSR initiatives and programmes may end up being nothing more than fiscal dumping exercises with, unsurprisingly, ineffectual social benefits (Tracy et al., 2005).

For example, according to Mining CSI editor Moses Sibiya, there has been many instances and cases where communities are asking companies to fund programmes that companies have already funded (Moneyweb, 2016). He says that "*it's because those people don't feel that there has been any change (value add) even if there has been money spent.*"(Moneyweb, 2016). Indeed the effectiveness of social programmes and their ability to create beneficial outcomes (create value) remain questionable (Polonsky & Grau, 2008; Renouard, 2010; Tang-Lee, 2016; Utting, 2009; Yuan et al., 2011; Yungong, 2020).

1.4. Purpose statement

In light of the above gaps and challenges, the purpose of this research is to provide an understanding of community perceptions regarding social value creation processes, factors influencing such perceptions, and elements contributing to value creation. The objectives were as follows:

a) To depict community awareness and understanding of the value creation approaches and processes associated with CSI activities;
b) To understand community perceptions regarding elements or factors that contribute to the value creation process;
c) To understand qualitative ways in which communities make social value perceptions and judgements;
d) To identify elements that influence social value judgements.

1.5. Research questions

In order to achieve the objectives above, a set of research questions were posed to guide the research. The main question asked was: **"*What are communities' qualitative perceptions of elements of social value creation processes and elements of value judgements?*"** Given that little guidance is provided in literature about communities' qualitative interpretations of social value creation processes (section 1.2), this research was faced with an exploratory problem. This kind of a problem required exploratory sub-research questions (Sub-RQ) which are as follows:

Sub-RQa: How do communities construct their understanding of social value creation processes by local firms (i.e., social responsiveness)?

Sub-RQb: What do communities identify and interpret as factors that affect value creation?

Sub-RQc: How do communities present their qualitative judgements of social value?

Sub-RQd: What elements influence communities' value judgements?

1.6. Theoretical contribution

By answering the above research questions, this research contributes to literature in a number of ways, detailed in Chapter 7 (theoretical contribution). First, this research contributes to stakeholder theory of value creation by highlighting elements/factors that affect value creation outcomes for communities as a stakeholder to the firm, from a community perspective. As indicated earlier, factors that affect value creation have been presented for stakeholders such

as shareholders (Edmans, 2011; Fiordelisi & Molyneux, 2010; Gruca & Rego, 2005; Raithel & Schwaiger, 2015) and suppliers (Garcia-Castro & Aguilera, 2015; Smals & Smits, 2012; Walter et al., 2001). Where community factors that affect community value creation are presented, it is usually from a managerial or researcher perspective rather than a community/beneficiary perspective. This research provides a community perspective of factors that affect value.

Secondly, this research contributes to stakeholder value judgement literature by presenting new types of external reference states that are deployed by stakeholders when making value judgements of firm CSI activities. To date, only a few authors (Lankoski et al., 2016) have started theorising about reference states used by stakeholders when making value judgements from the stakeholder theory perspective. In their conceptual article, Lankoski et al. (2016) presented various reference states used by stakeholders when making value judgements. This research adds new types of reference states that apply specifically to communities and reference states that may only apply in South African or similar contexts. The significance of these additions for theory is elaborated on in Chapter 6.

Lastly, from assessing community perceptions of value creation processes, this research revises the corporate social performance model (Carroll, 1979; Jamali & Mirshak, 2007; Wood, 1991) by bringing a community perspective to the model. The corporate social performance model (Wood, 1991) argues that researchers and practitioners making social evaluations of a firm should consider (i) the firm's principles or motive for CSI, (ii) processes engaged by a firm in its social responsiveness, as well as (iii) observable outcomes as they relate to the firm's societal relationships. This research provides a community perspective of Wood's (1991) model, which is different from a researcher or managerial perspective that was presented in earlier research (Carroll, 1979; Jamali & Mirshak, 2007; Wood, 1991). A community perspective brings an element of justice to the model, suggesting that one of the motives of a firm to undertake CSI should be for justice reasons (refer to Chapter 6).

1.7. Practical implications

This research highlights factors that influence the success of CSI projects which are useful for managers and practitioners involved in the conceptualisation, implementation, and reporting of such projects. These factors are presented in section 6.4 and include, among others, beneficiary co-creation, quality of stakeholder engagement, and host institution capabilities. This research further highlights the various ways in which communities appraise social value outcomes. By illuminating these elements, the results of this research can guide firms' strategic decision-makers and community programme managers regarding the elements that should be enhanced and promoted or barriers to be avoided in order to create social value. As such,

firms and their managers would be able to provide effective social initiatives and optimise their programme implementation. A detailed description of the practical implication of this research is provided in section 8.5.

1.8. Methodological implications

This research revealed some methodological aspects that researchers undertaking CSI-related field research in communities should consider (detailed in section 8.6). Firstly, it supports the notion that cultural contact is indeed important for case studies as it is in other types of contact qualitative research like phenomenology. It further adds that there are specific forms of cultural contact, that is, racial and gender contact, which may not be easily attained through existing mechanisms of gaining rapport. These insights are based on the researcher's experience as elaborated on in section 8.6.

Secondly, the results of this research came from two types of communities – two being fenceline communities and one being a non-fenceline community. Findings showed that these different types of communities made value judgements of CSI differently in terms of single project evaluations versus company-level (or multiple project evaluations). These findings imply that qualitative and quantitative researchers studying CSI and collecting data from communities should distinguish and take into account community *fencelineness* when crafting interview questions and questionnaires.

1.9. Definition of key constructs

The key constructs used in this study are social value, corporate social responsibility, corporate social investments, corporate social responsiveness, stakeholders, fenceline communities, and reference states. The definitions of these constructs in the context of this research are as follows:

Social value means the ability of an intervention or a programme to effectively address social needs (a community's needs), resulting in the satisfaction of beneficiaries after programme implementation (adapted from Kroeger & Weber, 2015).

Corporate Social Responsibility refers to a corporation's upheld commitment to improving the quality of life of its communities and doing no harm (adapted from Yungong, 2020).

Corporate Social Investment is a subset of corporate responsibility and it means corporations' financial investments in interventions or projects that are targeted at community development and wellbeing (Asgary & Li, 2016; Carroll, 1979; Kotler & Lee, 2004; Yungong, 2020).

Corporate Social Responsiveness is the philosophy or overall approach of business' response to social responsibility and social issues (Carroll, 1979). This can range from doing nothing, to doing only what is required, to being proactive.

Stakeholders are groups of individuals such as communities, customers, suppliers and shareholders and media. According to stakeholder theory, firms should take care of the interests of these stakeholders because stakeholders can affect the firm's success and because it is the morally right thing to do (Asgary & Li, 2016; Donaldson & Preston, 1995; Freeman et al., 2004; Phillips, 2003).

Fenceline communities are communities located in proximity to a firm, and having their socioeconomic activities largely influenced by the firm. More often than not, the firm is the key source of employment for these communities.

Reference states are factors that influence a person's judgement. A person may verbally express a reference state intentionally or intuitively while they are making a judgement or appraisal (adapted from Lankoski et al., 2016).

1.10. Summary and outline of the remainder of the document

This chapter introduced the stakeholder theory of value creation and how it relates to value creation for communities or social value creation. Theoretical gaps were identified, in particular showing that limited empirical research has gone into using stakeholder theory as a lens to understand value creation for communities as a stakeholder in the firm. The problem statement was provided as well as how this research intended to address such a gap by providing community perceptions of elements of social value from a stakeholder theory perspective. Lastly, the theoretical, methodological and practical significance of the research was presented. The remainder of the thesis is as follows:

Chapter 2 (literature review) provides a theoretical lens of this research and justifies the stakeholder theory of value creation as a suitable lens. This is followed by the definitions of social value as a specific form of stakeholder value and how firms create social value through corporate social responsibility initiatives. Lastly, the section provides a critical review of literature on elements that may influence social value using programme success as a parallel to value creation; as well as factors that influence social value perceptions or judgements.

Chapter 3 (context) provides the South African context in relation to this research. It presents South Africa's socioeconomic circumstances and how South African firms approach CSI and from a socio-economic perspective. Secondly, the chapter explains different types of communities in South Africa (suburban, township and traditional communities) and how these

community set-ups are significant for understanding socioeconomic conditions and CSI interventions.

Chapter 4 (methodology) presents the philosophical paradigm, research design and data collection methods with justifications for methodological choices. It provides justification for the case studies design, how the three candidate case communities were selected and how participants were chosen in a snowballing approach. Lastly, the chapter provides data analysis approaches, quality control and ethical aspects.

Chapter 5 (within-case analysis) provides research findings based on categories that emerged from data analysis on interview scripts and documentary data for each case. The chapter starts with a case description followed by within-case findings supported by relevant quotes from empirical data.

Chapter 6 (cross-case analysis) proffers themes that were generated from the researcher's critical examination of categories presented in Chapter 5 and how the findings from the different cases (communities) compare in relation to each theme. Each theme presents a theoretical explanation of a group of categories that explain a recurrent experience and its variant manifestations. The categories are grouped into themes relating to value creation processes and approaches, factors influencing social value and factors influencing value judgements.

Chapter 6 presents the theoretical contribution of this research. It highlights the implications of the findings from cross-case analysis; and consequent contributions to to stakeholder value judgement literature, social value literature and social performance literature.

Chapter 7 (conclusions and recommendations) provides a summary of the significance of this research, methodologies applied, findings in relation to research questions, implications for theory, methodology and practice. Lastly, it states limitations of the research as well as recommendations for further research.

Chapter 2 : Literature review

This chapter provides a synthesis of available literature relating to the key constructs in the research questions. The section starts by providing a theoretical framework and justifying the choice of stakeholder theory as an appropriate theoretical lens for this research. This is followed by the definitions of social value and justification for the chosen definition is provided. The review also explains mechanisms/processes used by firms to create social value and ends with a critical review of literature on elements that may influence social value and factors that influence social value perceptions or judgements.

2.1. Theoretical framework

The relationship between business and society/communities can be studied from several theoretical perspectives (Fortin & Fellenz, 2008; Garriga & Melé, 2004). These include, among others: Natural resource-based view of the firm and dynamic capabilities (NRBV), integrated social contract theory (ISCT) and stakeholder theory (ST) (Donaldson & Dunfee, 1994; Freeman, 1994; Garriga & Melé, 2004; Hart, 1995; McWilliams & Siegel, 2011).

In the natural resource-based view, it is argued that biophysical resources and socio-ethical resources present unique resources and capabilities that can affect a firm's competitive advantage (Garriga & Melé, 2004; Hart, 1995; McWilliams & Siegel, 2011). Then in integrated social contract theory, it is posited that business has implicit obligations to society and society expects such to be fulfilled (and there are specific rules of engagement) (Donaldson & Dunfee, 1994). The concept of corporate citizenship is related to this integrated social contract theory (Garriga & Melé, 2004). Lastly, stakeholder theory posits that firms are supposed to take care of the interests of their stakeholders because stakeholders can affect a firm's success and because it is the morally right thing to do (Asgary & Li, 2016; Donaldson & Preston, 1995; Freeman, 1994; Phillips et al., 2003). As a value creation theory, stakeholder theory states that firms must take into account the interest of stakeholders with the aim of creating value for such stakeholders (Freeman et al., 2004; Harrison et al., 2010; Husted & Allen, 2009; Lankoski et al., 2016; Phillips, 2003).

Out of these theories, stakeholder theory (of value creation) was found to be the most appropriate lens for this research. This is because it is the one theory that explicitly links business and society to social *value creation* (Freeman et al., 2004; Harrison et al., 2010; Husted & Allen, 2009; Lankoski et al., 2016; Phillips, 2003). That is, while the natural resource-based view is concerned with how a firm's social activities are linked to the firm's competitive advantage, and integrated social contract theory is concerned with the firm's actions in connection with the expectations of communities and rules of engagement (Donaldson &

Dunfee, 1994; Garriga & Melé, 2004), stakeholder theory is concerned with the firm's actions and value creation for communities. That notwithstanding, it must be noted that these theories are not mutually exclusive (Garriga & Melé, 2004). Stakeholder theory as a chosen lens for this research is further explained in the section below.

2.1.1. Stakeholder theory and value creation

As indicated earlier, stakeholder theory of value creation suggests that firms should take into account the interests of and create value for stakeholders (Freeman et al., 2004; Garcia-Castro & Aguilera, 2015; Harrison et al., 2010; Harrison & Wicks, 2013; Husted & Allen, 2009; Jonikas, 2014; Lankoski et al., 2016; Lieberman et al., 2017; Phillips et al., 2003). However, value and therefore value creation, means different things to different stakeholders.

For shareholders, value creation means increasing profits, which can be assessed by shareholders in terms of economic value add (profits minus costs) (Fiordelisi & Molyneux, 2010), stock returns (Raithel & Schwaiger, 2015), return on equity, return on capital, earnings per share and/or pay out ratios (Chabrak, 2014). For customers, value means "*the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given*" (Zeithaml, 1998, p. 14). For employees, value means the employees' subjective appraisal of the value captured from a job (Smeeding, 1983). Such an appraisal will take into account the trade-offs in terms of what an employee brings to the company, that is, productive capabilities (training and qualifications, appearance, physical and mental abilities) as well as sacrifices in terms of time, effort, and energy spent (Meijerink et al., 2016; Smeeding, 1983). And lastly, for communities, value (social value) is created when a community development intervention or programme effectively addresses social needs, which manifest as relatively higher satisfaction of beneficiaries in specific life domains of needs after programme execution (Kroeger & Weber, 2015).

In order to understand community value creation, it is prudent to first define a "community". While other stakeholders such as customers, shareholders and suppliers and employees are relatively simple to identify and delineate, a community as a stakeholder is a more complex construct with multiple dimensions.

From a geographic perspective, a community is simply people living together in the same village (Obst & White, 2010). It is typical for companies, especially extractive companies, to contribute more resources to communities in their immediate geographic vicinities (Dorobantu & Odziemkowska, 2017; Jung & Kim, 2016; Romijn & Caniëls, 2011; Tang-Lee, 2016) especially those communities can influence the firm through their power to act, through protest

or legal action (Dorobantu & Odziemkowska, 2017). However, there are companies that make CSI contributions to communities far afield, as shown in this research.

From a psychological perspective, a community is a group of individuals that has a feeling of belonging, fulfilment of needs, mutual influence and shared connection (Brodsky & Marx, 2001; McMillan & Chavis, 1986; Wylie et al., 2016). This is also referred to as a Psychological Sense of a Community (PSOC). Brodsky & Marx (2001) emphasised that from this perspective, a community can have multiple layers, where individuals feel like they are part of a micro community whilst still part of a macro community. This can also mean that an individual can be part of multiple communities, including virtual communities enabled by technological advancements (Obst & White, 2010; Wylie et al., 2016). Through this lens, Wylie et al., (2016) has shown that it is not enough for companies to focus only on (geographically) local communities. He suggested that communities that are far afield can be affected and therefore have salience due to the fact that they have relations and a sense of belonging with those in proximity to a firm. This has also been implied in stakeholder theory debates where Gibson (2000) for instance noted that an environmental group outside the local community could target a corporation for its use of excessive packaging or practices which lead to the destruction of the rain forest (Gibson, 2000). This means that the environmental group, whilst is not part of the local community, may have a similar connection and therefore a similar PSOC.

In this research, a community was defined in geographic terms, meaning a group of individuals in the same village (Obst & White, 2010). The research was undertaken in two communities living in close geographic proximity to firms and one community receiving CSI from remote companies. However, when these communities were making value judgements, PSOC elements could be deduced from data (section 6.3.1.).

2.2. Social value creation

2.2.1. Definitions of social value

Social value is a complex construct; and different definitions have been provided in literature (Kroeger & Weber, 2015; Lingane & Olsen, 2004; McWilliams & Siegel, 2011). The first group of definitions has positivist characteristics and attempts to place a Rand/Dollar amount on social interventions. The second group of definitions provides definitions that can be adapted to most theoretical orientations beyond positivism and has fewer limitations. The definitions, their challenges and choice of a preferred definition for this research are presented in the next paragraphs.

a) Social value as social return on investment (SROI)

Social value has been defined as a Dollar/Rand value of the social benefits of a program against the Dollar/Rand value of the investment required to achieve the benefits or social return on investment (Lingane & Olsen, 2004). In the case of social return on investment, social value is expressed as a percentage similar to the conventional return on investment (ROI) (Lingane & Olsen, 2004; Polonsky & Grau, 2008). For example, if a company provided health care services as part of their CSR, the impact of the CSR intervention can be *traced* to a reduction in the number of hospital admissions. This reduction in number of admissions is then monetised (given a Rand/Dollar value) provided the cost of hospital admission is known. The social return on investment can then be calculated as:

$$Social\ Return\ on\ Investment = \frac{Cost\ of\ hospital\ admission\ (ZAR)\ \times number\ of\ hopital\ admissions\ avoided}{Cost\ of\ \ intervention\ (investment)}$$

One of the major limitations of this approach is that it remains impossible for the social return on investment equation to be used in all social intervention cases. For example, it remains difficult to trace the impact of a CSI intervention that improves sporting and cultural activities in the community (Polonsky & Grau, 2008). Associated with this limitation is that social return on investment and similar methods cannot be used to compare two interventions that affect two different social issues (Lingane & Olsen, 2004).

b) *Social value in contingent valuation*

Social value has also been implicitly defined as monetary value of an intervention based on beneficiaries' willingness to pay (McWilliams & Siegel, 2011). With this definition, social value is measured using contingent valuation methods (McWilliams & Siegel, 2011). This is done by creating a hypothetical market where participants (in a focused group) are asked how much they are willing to pay for social good(s) or service(s), e.g., participants can be asked how much they are willing to pay for a firm's programmes or activities that result in clean air even though there is no real market for clean air (McWilliams & Siegel, 2011).

The first challenge with this approach is that the method assumes that the participants understand the good or service and are able to translate the good or service to "contingent" market prices as they would in an actual market (McWilliams & Siegel, 2011). Especially, for poorer communities, there may be lack of understanding of hypothetical markets, which will then make it difficult to assign a Rand value to the good or service. Secondly, in practice, the hypothetical willingness to pay tends to differ from the actual willingness to pay (McWilliams & Siegel, 2011).

c) Social value as utility, usefulness and addressing social needs

There are two definitions of social value that addresses the shortcomings of the definitions above. First, social value has been implicitly defined as the utility experience by society as a result of corporate decisions and actions (Harrison & Wicks, 2013; Lankoski et al., 2016, p. 228). Using this definition, social value can be assessed by asking beneficiaries about the utility or usefulness of a particular social intervention. (e.g. in Walter et al., 2001). Second, Kroeger and Weber (2015) defined social value explicitly as the ability of an intervention or a programme to effectively address social needs, which manifests as positive satisfaction levels of beneficiaries (community members) in specific life domains of needs after programme execution (Kroeger & Weber, 2015).

Unlike social return on investment which cannot be widely applied, these two definitions can be applied to all types of interventions. Also, these definitions address the shortcomings of contingent evaluations where people's experiences may be easier to depict than the hypothetical market.

d) Preferred definition

This research defined social value in accordance with Kroeger and Weber's (2015) explanation. Kroeger and Weber (2015) defined social value as the ability of an intervention or a programme to effectively address social needs, which manifest as positive satisfaction of beneficiaries (community members) in specific life domains of needs after programme execution (Kroeger & Weber, 2015).

Unlike Harrison and Wicks (2013) and Lankoski et al.'s (2016) definition above, Kroeger and Weber's (2015) definition confines the social value construct to beneficiaries' experiences of interventions that only address pressing social needs. For example, a programme that provides soccer kits to children is useful and beneficiaries can provide utility assessments of that according to Harrison and Wicks (2013) and Lankoski et al.'s (2016) definition. However, until it can be demonstrated that such an intervention is addressing pressing social needs (listed below), it will not be considered in social value assessments, according to Kroeger and Weber (2015). What is appealing about this definition is that it narrows down a wide range of social impacts ranging from inequality, social networks, and behavioural changes (Utting, 2009) to focus on impacts in respect of addressing pressing social needs. This was useful to focus the research from a wide range of impacts to the few that really matter and, consequently, the research scope can be narrowed to programmes that can be linked to pressing social needs.

2.2.2. Explaining domains of social needs in the definition of social value

Using Kroeger and Weber's (2015) definition requires comprehension of what *pressing social needs* are. This is important because societies are faced with multiple social needs ranging from environmental protection and good quality of air, to issues of social cohesion and equality, to jobs, even recreation (Maak & Pless, 2009; Stephan et al., 2016; Utting, 2009). A consideration of all social needs and all individual preferences will be theoretically challenging and methodologically infeasible for any research. Hence Kroeger and Weber (2015) advise that social need should be determined by "socioeconomic and institutional conditions in a country" (p. 60). This is in agreement with what other authors in life satisfaction domains literature suggested - that it is better to derive domains of social satisfaction from public policy or from a nationwide survey (Beja & Yap, 2013; Cummins et al., 2003; Rawhouser et al., 2017).

For example, in South Africa, social needs can be identified in accordance with the South African National Development Plan (NDP) (National Planning Commission, 2010) against the backdrop of the United Nations (UN) sustainable development goals (George et al., 2016; United Nations, 2015). The NDP lists the nine elements of standards of living (social needs) as, Health, Nutrition, Housing-water-sanitation-and-electricity, Education, Employment, Transport, Safety & security, Clean environment, and Recreation & Leisure. Meanwhile, the UN sustainable development goal lists 17 goals - No poverty, No hunger, Good health and wellbeing, Quality education, Gender equality, Clean water and sanitation, Affordable clean energy, Decent work and economic growth, Industry innovation and infrastructure, Reduced inequalities (income levels of the bottom 40% increased to above national averages), Sustainable cities, Responsible consumption, Climate action, Conservation of life below water, Sustainable use of life on land, Peace and justice, Partnerships for the goals.

From these lists, one can identify areas of commonality with respect to social needs. These are income, education and health. The NDP emphasises that of all priorities, education and the opportunity to work are the most important areas in which South Africa needs to progress. Thus, this research operationalised social value creation in terms of the ability of the intervention to address these social needs and result in satisfaction of beneficiaries.

2.2.3. How do firms create social value?

Firms create value (or at least intend to create value) to broader society through corporate social investments (CSI) or investments and implementation of social initiatives and programmes under respective corporate social responsibility (CSR) strategies. CSR interventions often include an array of issues from societal, environmental, human capital development, to employee wellness and safety (Lopez et al., 2007; Stephan et al., 2016).

However, for the purpose of this research, only those CSR programmes that are targeted at community development and wellbeing were considered as social value creating initiatives (Asgary & Li, 2016; Carroll, 1979; Kotler & Lee, 2004). Such initiatives include bursaries, donations, entrepreneur development, infrastructure development, technological support, early childhood support, religious and culture support, donations, overall goods and services offerings (Asgary & Li, 2016; Bowen et al., 2010; Dembek et al., 2016; Ezzi & Jarboui, 2016; Jonikas, 2012; Kotler & Lee, 2004)

According to stakeholder theory of value creation, firms should create value for communities as one of their stakeholders, and the implementation of CSR initiatives is a mechanism for this. However, literature on the approaches or strategies used by firms towards CSI is scarce and, if anything, outdated. In 1979 Carroll presented a concept of social responsiveness which can be used to understand specific approaches/strategies/mechanisms of CSI implementation. Carroll (1979) posited that managers and academics concerned about corporate social performance should not only account for social responsibilities (economic, legal, ethical and voluntary requirements for social actions) and for social issues (e.g. safety, environment, social, consumers, products); but must also account for social responsiveness. Carroll (1979) (p. 501) defined social responsiveness as "*the philosophy, mode or strategy behind business response to social responsibility and social issues*" and is viewed as a managerial process of response (Carroll, 1979; Frederick, 1994).

Carroll's presentation of a quantum of social responsiveness suggests that firms can approach CSI and respond by using the following mechanisms:

(a) Doing-nothing: That is, refusing to or withdrawing from doing anything in relation to CSI.

(b) Defence: That is, doing only what is required. This also involves firms doing only what is required in order to maintain good public relations or to avoid legal issues (Davis & Blomstrom, 1975, in Carroll, 1979).

(c) Accommodating: That is being progressive.

(d) Proactive: That is, actively solving problems and aspiring to be the leader in the industry.

More recently, Husted and Allen (2006) suggested that there are two strategic approaches to CSI that can be deployed by a firm (in their case, multinational enterprises [MNEs]). One is that a firm base its CSI strategy on an analysis of issues faced by stakeholders at hand such

that the objective of its CSI strategic interventions are to address such issues (akin to the proactive strategy). Alternatively, a firm can approach base its CSI strategy on institutional isomorphism such that its CSI interventions are similar to the pre-existing organisational strategies of the MNEs (Husted & Allen, 2006).

With the exception of Husted and Allen's (2006) work, Carroll's model of social responsiveness remains under-explored. This is exacerbated by the fact that the use of the *social responsiveness* construct in recent CSI literature (Angelidis & Ibrahim, 2004; Beliveau et al., 1994) ignored its philosophy and instead used social responsiveness construct as synonymous with CSR action.

What is also lacking is a community perspective of these processes of responsiveness, rather than a practitioner perspective. A community perspective is important because if stakeholder theory posits that firms must create value for stakeholders, then there must be a clear understanding of the value creation process and evaluations by both the firm and stakeholders (communities) (Harrison & Wicks, 2013; Lankoski et al., 2016).

As indicated above, community understanding of value creation processes has not been well documented in literature. What is clear however is that stakeholder awareness (a parallel to stakeholder understanding) in general can be influenced by a number of factors such as (i) adequacy of public participation (Cárdenas et al., 2015), (ii) level of education of the community (Nyembo, 2018), as well as (iii) personal interests, priorities, needs and utility of actions (Lee et al., 2020; Nyembo, 2018; Rowley & Moldoveanu, 2003).

Consequent to the above, this research sought to understand how stakeholders present their understanding of value creation from CSR processes, while identifying various other factors contributing to their awareness and understanding of CSR processes of responsiveness.

Research question 1: *How do communities construct their understanding of social value creation by local firms (i.e., social responsiveness)?*

2.2.4. Stakeholder perceptions and judgements of value creation

As indicated earlier, this research was concerned with community stakeholders' *perceptions* of social value creation processes. Stakeholder perceptions are important because at the core of the definition of value is the perception of recipients. By definition, community/social value is about the satisfaction of community recipients of the outcomes of the intervention (Kroeger & Weber, 2015), not managers' satisfaction. In spite of the difference in definitions of social value (section 2.2), most authors agree that social value is determined by the beneficiaries /communities themselves (Harrison & Wicks, 2013; Kroeger & Weber, 2015; Lankoski et al.,

2016). Furthermore, community perceptions are also important because they enable the firm to claim legitimacy (Byun & Oh, 2018; McWilliams & Siegel, 2011). This means that, if publicised, the firm's CSR activities and associated perceptions can increase awareness by shareholders, and subsequently increase market expectations which in turn increases shareholder value (Byun & Oh, 2018).

Bitektine (2011), Harrison and Wicks (2013) and Lankoski et al. (2016) are among the few authors that have paid attention to factors that influence stakeholder perceptions or judgements of value. In their conceptual report, Lankoski et al. (2016) presented various reference states used by stakeholders when making value judgements. Reference states are factors that are operational when a person makes value judgements, and therefore reference states influence their judgements. It is important to note that stakeholders making judgements can use reference states intuitively (unconsciously) or deliberately in a conversation. The following reference states are explained in Lankoski et al. (2016):

- *Status quo:* Stakeholders will make judgements based on how a firm has performed in the past. Their reference state is past CSI activity against the current. According to the authors, this is the most intuitive reference state.
- *External Comparisons:* Stakeholders will make judgements against a particular external benchmark such as norms, market comparisons and ideals such as non-acceptance of trade-offs, as explained in the next paragraph.
- *Internal aspirations:* Stakeholders will make judgements based on their own aspirations that they believe the firm should meet relative to this aspired-to level. The authors note that aspirations are sometimes influenced by an external yardstick but can also reflect some elements that may not be obvious.

Lankoski et al. (2016) further explained an external comparison as benchmarks such as norms, markets or ideals which are explained as follows:

- *Norms* refers to performance standards set by legislation, ethical norms and standards.
- *Markets reference* mean performance standards set by competitors, such as firms operating in the same geographic area or same industry.
- *Ideals* refers to performance standards offered by widely held ideals, such as using best available technologies (BAT) or best available practices (BAP) in firm operations. External ideals may include no acceptance of trade-offs in relation to protected values such ecological and human rights. This can also refer to preservation of zero impact reference state.

Meanwhile, Harrison and Wicks (2013) posited that stakeholders' perceptions of value are influenced by affiliation, exchange of goods and services with the firm, opportunity cost and perceived justice.

With regard to affiliation, Harrison and Wicks (2013) argued that stakeholders (and therefore communities) will attach positive value to a firm's actions that exhibit characteristics that are aligned to their values or what they value. A similar parallel has been made in customer value literature where Payne and Holt (2001) posited that stakeholder value perceptions (in their case customers) are likely to be more positive if the product and/or services are more aligned with their values. Values (plural) refer to a set of deeply held beliefs about what is right or wrong (for example compassion, authenticity, aesthetics, creativity), while value (singular) has to do with perceived/preferential judgements (Payne & Holt, 2001; Woodruff, 1997). These authors maintained that when value creation intentions are aligned with consumer or beneficiary's values, then their value perceptions can be more positive.

With regard to organisational justice, Harrison and Wicks (2013) stated that stakeholder perceptions can be influenced by the extent to which they perceive an organisation to be fair with reference to distributive justice (what they are giving in comparison with others), procedural justice (rules and procedures) and interpersonal justice (respect, empathy and goodwill consideration (Colquitt et al., 2013; Cropanzano et al., 2007). That is, a stakeholder will compare what they are receiving from one firm versus the other in terms of distributive, procedural and interpersonal justice. Distributive justice can be further classified into (i) equity (rewards based on individual recipients' contributions and (ii) equality: rewards aimed at same compensation (Cropanzano et al., 2007). Harrison and Wicks (2013) recommended that a firm must identify which of these is most important for a particular stakeholder so that it can create stakeholder value accordingly.

With regard to exchange of goods and services, Harrison and Wicks (2013) posited that stakeholder perceptions are influenced by the exchange of goods and services – value in exchange. He argued that when stakeholders make value judgements they look at what they have sacrificed to get the value, not only in material terms. This can be better understood through the trade-off concept (Lam et al., 2004; Leroi-Werelds et al., 2014). Trade-off means the transaction costs or sacrifices incurred at the time of transaction. For example, stakeholder (employees') perceptions of value can be influenced by trade-offs in terms of what an employee brings to the company. That is, productive capabilities (training and qualifications, appearance, physical and mental abilities) as well as sacrifices in terms of time, effort, and energy spent (Meijerink et al., 2016; Smeeding, 1983). This is similar to what Lankoski et al. (2016) referred to as non-acceptance of trade-offs as a reference state. This is particularly so

when a stakeholder is losing value while gaining value, meaning that there are conflicting value impacts of the actions under consideration (Lankoski et al., 2016).

This trade-off concept and its influence on value judgements has only been minimally studied in the community context. This is partly due to the long-held assumption that social interventions can only have a positive impact on society/communities (Rawhouser et al., 2017). Yet, some evidence suggests otherwise. It has been demonstrated that some of the positive social interventions by companies come at a cost (such as loss of arable land) to communities (Romijn & Caniëls, 2011). This triggers the need for further research to understand how negative elements such as trade-offs are interpreted by communities and when and how they influence their judgement of value creation from firms' good deeds.

With regard to opportunity costs, Harrison and Wicks (2013) posited that "*Stakeholder value perception is influenced by whether stakeholders believe they are getting a good deal from the organization compared with what they might expect to receive through interactions with other firms that serve similar purposes*" (p. 107). For example, customers' perceptions may be influenced by their mental state comparison of what they get from the company relative to what they can get from another company. This is again similar to what Lankoski et al. (2016) presented as external comparison of markets (i.e., how other firms are performing given actions under consideration). Literature, however, does not provide further nuances on how the concept of opportunity cost can present itself in a community context.

Bitektine (2011) also conceptualised various elements of value judgements or factors that influence stakeholder judgements and subsequent acceptance of a firm (legitimacy). He argued that stakeholders and other actors can make judgement of an organisation based on:

a) Whether or not the organisation is similar to other organisations they know are not problematic. In this case, stakeholders will judge negatively the types of firms that are known to be problematic and vice versa. This is referred to as cognitive legitimacy judgement.
b) Whether or not the organisation operates within the prevailing social norms. In this case, the stakeholder will judge negatively firms that show unacceptable social norms and even call for sanctions. Bitektine (2011) refers to this as socio-political legitimacy judgement.

While all these authors provided a sound basis for understanding stakeholder perceptions and judgements, their work lacks further details in some of the reference states such as "internal aspirations." Lankoski et al. (2016) mentioned that internal aspirations can influence stakeholder perceptions but could not provide the specific types of internal aspirations that

exist in specific stakeholder contexts. This is because, as the authors noted, the internal reference states (and other reference states) will be context dependent. Hence, there is a need to provide empirical evidence regarding reference states (including types of internal aspirations) that influence judgements made by specific stakeholders (communities in this case) in their context.

The community-specific internal (and external) reference states are important for theory because, as indicated earlier, communities are theoretically unique from other stakeholders and have unique relations with a firm. Unlike other stakeholder (e.g., customers, suppliers, shareholders) who spend their resources prior to receiving value from a firm, communities are often viewed as receiving value from firms *for free*. This is implied by some authors who define stakeholders as to those who add value, assume unique risk, and can incur harm (Kaufman & Englander, 2011) and those that have the power to benefit or harm the firm (Gibson, 2000). Some communities do meet the criteria of these definitions: they incur some harm and losses to from corporates, and they exchange resources such as land, information and people for the sake of firm activities (Dorobantu & Odziemkowska, 2017; Nyembo, 2018). However, other communities do receive value for free as part of a firm's fulfilment of its moral obligations. It is these complexities with communities as a stakeholder that warrant this research to hypothesise that elements that influence community judgement of value will be unique from those of other stakeholders and therefore need to be explored.

Research question 2: *How do communities present their qualitative perceptions and judgements of social value?*

Research question 3: *What elements or reference states influence communities' value judgements?*

2.3. Elements contributing to stakeholder value creation

Because different stakeholders have different interpretations of value creation, elements contributing to value creation for different stakeholders are different. These elements contributing to value creation for different stakeholders have been documented in existing literature. However, such literature has focused on elements of value creation for stakeholders that have internal relations with the firm, namely suppliers, shareholders, customers and employees, with less depth on social (community) value. For example, it has been demonstrated that for shareholder value creation, contributing elements or factors include operational efficiencies, customer relations, workforce motivation and reputation (Edmans, 2011; Fiordelisi & Molyneux, 2010; Gruca & Rego, 2005; Raithel & Schwaiger, 2015).

For supplier value creation, elements such as fairness of the purchase price as well as innovation, information sharing, market leads and networks of the purchasing firm will contribute to value creation (Garcia-Castro & Aguilera, 2015; Smals & Smits, 2012; Walter et al., 2001). That is, for example, suppliers who have relations with firms that are technologically strong and innovative are likely to have increased value capture (Walter et al., 2001).

From the employee perspective, earnings, fringe benefits, working conditions, leisure benefits and work content will contribute to employee value creation (Browne, 2012; Smeeding, 1983). Lastly, for customers, value creation is influenced by product/service augmentation and price (Payne & Holt, 2001). That is, the more the firm provides additional services such as customer advice, financing, delivery arrangements and warehousing to the core products and services (augmented value concept), the greater the impact on customer perceived value (Payne & Holt, 2001; Ravald & Grönroos, 1996).

Unfortunately, elements that contribute to social value are not fully explored in the literature. Authors have only investigated elements that contribute to the success of social programmes, usually from the programme coordinators' perspective (Diallo & Thuillier, 2004; Khan et al., 2000; Khang & Moe, 2008; Struyk, 2007; Yalegama et al., 2016). The limitations of this are elaborated in the next section.

2.4. Elements contributing to social value creation

As indicated above, the elements contributing to social value creation are not clearly articulated in the literature. This led to this research reviewing literature on elements that contribute to *programme success* as a parallel to social value creation. These are outlined in Table 1.

It is important to note that the majority of these factors were derived from assessments of social programmes that are implemented by development agencies. This research, on the other hand, focused on elements based on assessment of social programmes that are implemented by firms. It was expected, therefore, that the elements would be different because, as Struyk (2007) indicated, the elements or factors would differ based on the nature of the programme and context. Hence the call for more context-specific understanding of factors influencing the success of programmes (Cicmil et al. 2006).

Table 1: Examples of elements that contribute to the success of social programmes

Element/factor	Nature of contribution	References
Leadership and support	Social development programmes must have leadership support from the onset (Struyk, 2007). However, it is important that as the project develops, core leadership must develop into a coalition	(Struyk, 2007; Khan et al., 2000)

Element/factor	Nature of contribution	References
	leadership or establishment of diffuse leadership in the form of local champions (Khan et al., 2000). Meanwhile, Struyk (2007) warns that this transitional change in forms of leadership during the project may introduce different political and administrative agendas that conflict with the original project agenda.	
Multi-actor structure	Social programmes can benefit from having multiple actors, each with various expertise. This provides opportunity for learning (Struyk, 2007). In the same study he (Struyk, 2007) argued that the number of actors should be minimal to "avoid red-tape delays that often accompany the involvement of multiple agencies" (p. 69). A smaller number of actors also means that they can easily develop personal relations and communalise the project goals, which is important in cooperation (Struyk, 2007).	(Struyk, 2007)
Skills, attitudes of implementing personnel	For social programmes to be successful, the personnel involved in the various stages of the project (design, planning, and implementation) must have the skills and knowledge (Diallo & Thullier, 2004; Khang & Moe, 2008). Struyk (2007) extended this notion further to say that it is not only the skills but also the willingness of the personnel that affects programme success – skill and will.	(Diallo & Thullier, 2004; Khang & Moe, 2008)
Beneficiaries skills	Social programmes, especially those targeted at job creation or entrepreneurship development, require that beneficiaries are equipped with adequate skills (Struyk, 2007; Yalegama et al., 2016) The importance of training and skills development on areas such as book keeping, public speaking and other technical matters is acknowledged by various stakeholders as an important element of social programme success. (Yalegama et al., 2016).	(Struyk, 2007; Yalegama et al., 2016)
Effective consultations with primary stakeholders	Stakeholder or beneficiary involvement has been highlighted as an important element of successful outcomes social programmes (Baird, McIntosh and Özler, 2013; Khan et al., 2000; Khang & Moe, 2008). Beneficiary involvement encourages co-creation of projects (value co-creation) instead of imposing the best option from the firm's perspective (Stephan et al., 2016). Some scholars have argued that it is not so much the involvement of beneficiaries, but the nature of involvement in specific contexts that could affect social value outcomes (Renouard, 2010. Contextual issues that impact beneficiary involvement include the ability of individuals to have a "voice", understanding what people say and mean - given socio-	(Baird et al., 2013; Khan et al., 2000; Khang & Moe, 2008; Stephan et al., 2016).

Element/factor	Nature of contribution	References
	political, interaction of events, knowledge and resourcefulness issues that impact on what they say (Dempsey, 2010; Ganesh and Barber, 2009). Hence, it is important to understand how beneficiary engagement affects programme success or social value is specific contexts.	
Early detection of problems and flexibility	Poor control mechanisms for early detection of problems can compromise social programmes. It is important that problems are detected early, and that when such problems are detected, the personnel have mechanisms in place to address such and that they are flexible to adapt initial approaches to the problem.	Diallo & Thuillier, 2004; Khan et al., 2000

While these studies are providing information that can be used as a parallel to understanding elements contributing to social value, contributing to successful programmes, they have a number of limitations. These are elaborated below.

Firstly, most authors have studied elements contributing to positive social outcomes in the context of developmental and NGO-related programmes (Diallo & Thuillier, 2004; Khan et al., 2000; Khang & Moe, 2008; Struyk, 2007). This study, on the other hand, explored such elements in the context of firms' social programmes, for intrinsic reasons. The fundamental difference between development agencies and a firm is the motivation and objective. The objective of a developmental agency is to address social and economic needs of people in developing country (Yalegama et al., 2016) societies, while the primary objective of a firm is to generate profits and increase shareholder value (Fontrodona et al., 2006). Firms engage in social issues for instrumental (self-interest driven), relational (stakeholder relationship driven) and moral (for the sake of doing good) motives (Aguilera et al., 2007; Wood, 1991). Thus, when firms engage in social issues, this distinguished motive can influence both the antecedents and outcomes, as well as perceived factors that influence such outcomes. Specifically, Jonikas (2012), as well as Porter and Kramer (2011) have argued that the motive of a firm for engaging in CSR will influence social value and that the extent to which a CSR intervention is instrumental for the firm will influence social value. These authors suggest that unless social programmes are designed and implemented in a manner that has profit implications for stockholders, or are strategically aligned to organisational mandate, they will not get the management support that is required for sustained success (Cooke-Davies, 2002). Meanwhile, Gond et al. (2009) challenged strategic CSR (or profit seeking CSR) initiatives and criticised them for being exploitative of society, leading to goal displacement where firms do what favours them and not what is valued by society.

Secondly, authors assessed programme success using various definitions of an outcome variable (programme success) such as *ability to improve social capital* (Yalegama et al., 2016) and *performance indicators* such as time, cost, perceived quality and/or the reputation earned by the project; usually from the coordinator's perspective (Diallo & Thuillier, 2004). Others (e.g., Struyk, 2007), have not clearly defined the outcome variable. This research, on the other hand, considered social programme success in accordance with beneficiaries' satisfaction with the programme outcomes in addressing their needs (i.e., social value of a programme) (Kroeger & Weber, 2015). This distinction in outcome variable means that the elements affecting the outcome variable would be different. As Cooke-Davies (2002) and Lavagnon (2009) argued, how research describes and determines the outcome or success will affect the elements that contribute to that outcome.

Lastly, only a few studies (Diallo & Thuillier, 2004; Khang & Moe, 2008) have investigated the beneficiaries' perspective in the evaluations of elements contributing to programme success. However, they either (i) maintained the project coordinators' or researchers' view on what beneficiaries are likely to identify as an element or factors or (ii) they administered quantitative survey methods to beneficiaries, which fails to provide nuanced/in-depth understanding of how beneficiaries perceive these elements in their contribution to social value.

For example, Diallo and Thuillier (2004) conducted a study that aimed to understand how various stakeholders will rank the significance of factors that influence social programme success. They concluded that managerial elements (e.g., time, budget) and profiling (political value and reputation) are ranked high by coordinators, while impacts elements (direct and indirect benefits) are highly ranked elements for beneficiaries. However, in their study, the beneficiaries' perspective of the ranking was based on the project coordinators' opinions of what the beneficiaries were likely to identify as critical elements - not the beneficiaries' direct opinions. This is a major shortfall of this study because there was no way of verifying if the beneficiaries would have provided similar responses. Meanwhile, Khan and Moe (2008) and Stephan et al. (2016) identified elements of programme success only from literature and project reports without beneficiaries' direct perspectives. These analyses are therefore filled with researchers' perspectives and not beneficiaries' perspectives and opinions.

A study by Yalegama et al. (2016) remains one of the few that obtained beneficiary perspectives directly from the beneficiaries. They conducted a questionnaire survey with project coordinators, beneficiaries and other stakeholders. The study identified factors such as (i) enabling community environment, (ii) measurable project management outcomes by village organisation and (iii) community project management engagement as critical success factors

for social programmes. However, since this was a quantitative study, it provides limited depth on how the said beneficiaries interpreted such factors.

Research question 4: *What do communities identify and interpret as elements or factors contributing to value creation?*

2.5. Multidirectional influence of elements of value creation process

When obtaining descriptions of how various elements contribute to social value creation, this research considered the multidirectional influence of such elements. Studies from other stakeholder perspectives (suppliers and shareholders) have shown that, more often than not, the different elements of value creation can be interlinked and cause multidirectional impact (Fiordelisi & Molyneux, 2010; Lazonick & O'Sullivan, 2000; Möller & Törrönen, 2003). For example, while providing market leads can be an element of positive contribution to the supplier value creation process, the supplier's relationship with the new firm may lead to an unexpected loss of important customer firm(s), depending on the circumstances around the new relationship (Möller & Törrönen, 2003). For the shareholder, Fiordelisi and Molyneux (2010) have also argued that strategic interventions aimed at increasing shareholder value (e.g., increasing operational efficiency through job cuts) can have a positive impact on shareholder value, but may also lead to growing job insecurity and anxiety amongst the remaining employees (lowered employees motivation), which has a negative effect on shareholder value (Fiordelisi & Molyneux, 2010; Lazonick & O'Sullivan, 2000). Meanwhile, Struyk (2007) also acknowledged that factors that influence social value do not operate independently but rather are contingent on one another.

Similar forms of theorising have not been provided in the social value literature. This is because business-and-society scholars often work from an assumption that social interventions can only have a positive impact on society (Rawhouser et al., 2017). This assumption arises due to consideration of one level of analysis used by researchers in social impact studies. For example, researchers tend to assess the first order impacts only, e.g., how many people got shelter/got jobs in a particular year (Polonsky & Grau, 2008). What is lacking is an in-depth analysis of both immediate and intermediate consequential outcomes relationship to fully understand processes (McWilliams & Siegel, 2011; Polonsky & Grau, 2008).

Few community-based value creation studies have demonstrated the multidirectional impacts of social programmes. In her study, Utting (2009) showed that fair trade social programmes in Nicaragua afforded the beneficiaries unique access to international markets which converted to a better price for their coffee, which meant increased financial capital available for beneficiaries. However, on the negative side, the project was associated with delays in

payments made to the communities, resulting in cash-flow problems for community members. This suggests that the social value creation process may have elements that are multidirectional as a result of interrelationships between elements (Struyk, 2007).

A study by Jung and Kim (2016) also showed that CSR can have both positive and negative impacts on a company's employment growth rates. Based on a study of 234 publicly listed Korean companies, they found that firms that engage in CSI experience lowered employment growth rates. They argued that in their efforts to meet social demands, companies find themselves with no choice but to reduce other costs, including labour costs (Jung & Kim, 2016; Reinhardt et al., 2008). However, it must be noted that Jung and Kim's (2016) analysis was based on a firm's overall CSR score and not on stakeholder/community qualitative assessments.

2.6. Summary of literature review

In summary, this literature review suggests that although stakeholder theory is about value creation to all stakeholders (Freeman et al., 2004; Harrison et al., 2010; Husted & Allen, 2009; Lankoski et al., 2016; Phillips, 2003), stakeholder theorists have only paid attention to value creation for a few stakeholders (suppliers, shareholders and customers). Value creation specifically for community stakeholders (i.e. social value creation) has not been studied in depth by stakeholder theorists.

What is clear is that firms create value for community stakeholders through the implementation of CSI initiatives. However, literature on firms' *approaches* to CSI (i.e., social responsiveness) is scarce, outdated and focused on the managerial perspective. For example, Carroll (1979) has shown that firms would approach CSR using various mechanisms/strategies from (a) doing nothing (refusing to or withdrawing from doing anything) to (b) defence (doing only what is required) to (c) accommodating (being progressive) to (d) being proactive (actively solving problems and aspiring to be the leader). What remains lacking is a community perspective of such an approach to social responsiveness.

There is also a limited understanding of how communities make social value judgements (associated with CSI activities); in particular how they construct their judgements and factors that influence their judgements. Harrison and Wicks (2013) and Lankoski et al. (2016) have in their conceptual work concluded that stakeholders' value judgements are influenced by a number of external and internal reference states. For example, stakeholders' value judgements can be influenced by external comparisons (comparing what they are getting from a firm versus what others are getting). Meanwhile, Harrison and Wicks (2013) posited that stakeholders' perceptions of value are influenced by affiliation, exchange of goods and services with the firm,

opportunity cost and perceived justice. What is lacking is an understanding of community-specific reference states that influence community judgements. A community-specific understanding is important because communities are a unique stakeholder and the manner in which they make judgements can be expected to differ from the way other stakeholders (customers, suppliers) make their judgements.

Lastly, there is limited understanding of a community perspective on factors that affect the success of CSI projects and therefore social value of such projects. Although researchers have paid attention to various factors affecting the success of social projects (Diallo & Thuillier, 2004; Khan et al., 2000; Khang & Moe, 2008; Struyk, 2007; Yalegama et al., 2016), the factors provided were in relation to development projects implemented by international agencies rather than those implemented by firms. Also, the authors provided such factors from either a managerial perspective or (albeit rarely) a community's quantitative perspective. Furthermore, while some of the factors such as effective consultation, competency of implementing personnel are applicable to all social projects, including CSI projects; it is emphasised that such factors should be studied in specific contexts (Struyk, 2007; Yalegama et al., 2016). Hence, there was a need for a study that focused on factors influencing value creation in the context of firm CSI programmes rather than development agencies context. This context takes into account community-firm dynamics and interactions which may not prevail in other developmental projects. There is also a need to account for communities' qualitative perspectives instead of the project manager's perspectives of these factors.

Chapter 3 : Research setting

This research was conducted in three South African communities. South Africa has a population of approximately 60 million people based on 2021 mid-year estimates (StatsSA, 2022). There are 11 official languages namely: Afrikaans; Xitsonga; Tshivenda; English; Sotho languages (Sepedi, Sesotho, Setswana); Nguni languages (isiZulu, isiNdebele, isiXhosa and IsiSwati). This research was undertaken with participants speaking English and Sotho languages (as the researcher's spoken languages).

3.1. Socioeconomic situation

South Africa is faced with various socioeconomic challenges and inequalities in the areas of employment, education, and access to healthcare. These challenges are somewhat mirrored in companies' expenditures in CSI in the country. Trialogue (2017) reported that a large proportion of CSI funds are directed to Education (44%), and social development, which includes job creation for vulnerable community members (17%) as shown in Figure 1.

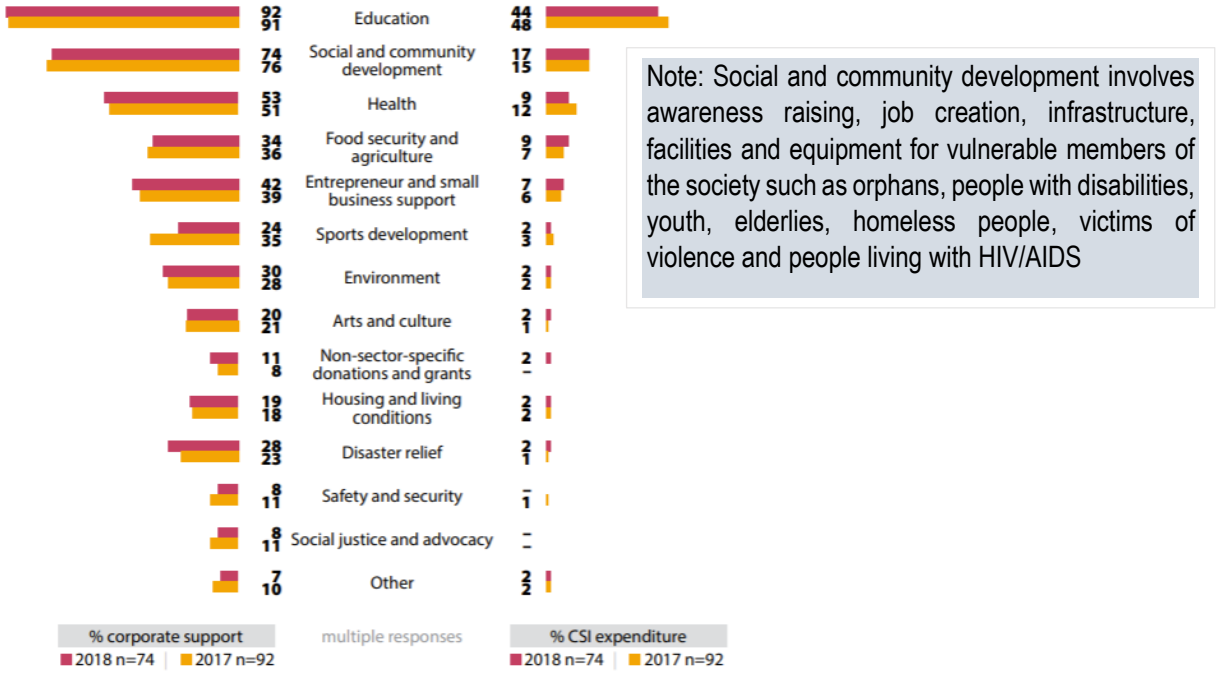

Figure 1: Distribution of CSI funding per development sector (Trialogue, 2017)

This research provides further context on education and employment as these issues are most relevant for understanding the results of this research. Context on these two issues is important because, based on the researcher's interactions with communities, it can be argued that CSI in South Africa's poor communities (and perhaps in other developing countries) is viewed as a mechanism for poverty alleviation. Hence education and unemployment become an integral

part of CSI efforts by companies, while at the same time these two factors affect expectations and perceptions of communities of CSR.

3.2. Education in South Africa

The levels of educational attainments vary greatly across different age groups in South Africa, with the elder groups having attained less than Grade 12 and only the much younger groups having Grade 12 certificates. According to Statistics South Africa, close to 70% of individuals aged 20-34 were attending post-grade 12 educational institutions in 2013 and were the first generation of post-secondary education participants in their families. Only 28% of these participants had parents who hold a post-secondary qualification.

Despite the above, there has been a significant improvement in education levels in South Africa. For example, Grade 12 completion by persons aged 15 and more has increased from an estimated 3,7 million in 1996 to 11,6 million in 2016. Meanwhile the completion of studies at higher educational institutions by those aged 15 and upwards has increased from an estimated 1,3 million in 1996 to 3,6 million in 2016. Educational attainment among adults aged 25-64 have been confined to substantial growth in completion of Grade 12 (68%) compared to 12% of adults in this age group who completed post-secondary qualifications (StatsSA, 2016).

Notwithstanding these improvements, the quality of education in South Africa remains questionable. Some have attributed the lower level of quality of education, especially for the older segment of the population, to the apartheid government's 1953 Bantu education law. This law was designed to systematically exclude black students from exposure to certain subjects; consequently restricting them to servant types of labours (Donohue & Bornman, 2014; WENR [World Education News and Reviews], 2017). However, even post-apartheid, South Africans' academic performance remains questionable. For example, in November 2016, 580,000 pupils in 57 countries sat for the Trends in International Mathematics and Science Study (TIMSS). South Africa was at the bottom with 27% of pupils who have attended school for six years not being able to read, compared with 4% in Tanzania, and 19% in Zimbabwe (WENR, 2017).

As indicated, for corporate South Africa, CSI's contribution to education is top of the list, with 2018 CSI expenditures on education accounting for 44% of all CSI contributions from major companies (Trialogue, 2017). This indirectly contributes to poverty alleviation because of the known link between education and poverty.

3.3. Unemployment in South Africa

South Africa as a country is sitting at an estimated unemployment rate of between 30% (StatsSA, 2021a) and 35% (StatsSA, 2022), variable year on year and quarter to quarter. The youth aged 15–24 years are the most vulnerable in the South African labour market as the unemployment rate among this age group was 55,2% in the 1st quarter of 2019. Among graduates in this age group, the unemployment rate was 31,0% during this period compared to 19,5% in the 4th quarter of 2018. This situation is not improving as expected. The results of the Quarterly Labour Force Survey (QLFS) for the first quarter of 2020 indicate that employment decreased by 38 000 to 16,4 million and the number of unemployed persons increased by 344 000 to 7,1 million (StatsSA, 2021a).

In light of these unpleasant statistics, South African corporations are making CSI contributions to support unemployment. This is done through providing youth with skills that are required in the market and developing their entrepreneur skills so that they can self-employ.

3.4. CSR legislation in South Africa

CSR has been part of South African businesses since the late 1970s (Trialogue, 2017). Prior to and immediately after South Africa's democracy (in 1994), CSR initiatives were executed mainly by multinationals as a means to becoming good corporate citizens. In the mining industry in particular, CSR was (and still is) also seen as a means to counter or externalise the environmental impacts associated with mining activities.

As the South African democracy matured post-1994, government drove a CSR agenda through specific legislation inter alia the Broad-Based Black Economic Empowerment Act of 2003 (BBBEE Act), the Minerals and Petroleum Resources Development Act of 2002 (MPRDA) and the Companies Act 71 of 2008. Specifically, the BEE Act enabled the Minister responsible for Trade and Industry to develop Codes of Good Practice for BEE and specific industry charters. According to the codes (code 700), for a company to be BEE compliant, it needs to spend a specified amount of their profits on CSR initiatives. A maximum BEE score in code 700 criteria is obtained if a company spends 1% of company profits or 0.125 of turnover on CSR initiatives.

Meanwhile, sections 23(1)(e) and 86(1)(d) of the MPRDA require all mines to develop social and labour plans demonstrating how the mine intends to *distribute* its wealth to the local communities through specific CSR programmes. This plan must be submitted by a mining company prior to obtaining a mining right and must demonstrate how the mining company

intends to invest in local community development and labour to benefit its fenceline communities (Phuhlisani, 2018).

More specific details of what government expects from companies on CSR are provided in industry specific charters such as the mining charter, the construction charter, the Information Technology (IT) charter and the financial services charter. All these charters require corporations in the said sectors to invest in communities as part of their CSR. The set investment target for the financial sector on community CSR is 0.5% of profits post tax and the target for the construction sector is 0.25% of annual payroll. This present research is not concerned with the size of CSI contributions but with community perceptions of such contributions, regardless of size and scale.

Unfortunately, there is no further guidance on what exactly these companies should do and how the programmes should be designed and executed in order to create social value. Even though the Mining Charter specifies that mines must drive inclusive supply chains and inclusive human capital as part of its CSI activities, the document does not elaborate on what elements and levers must be considered at the project execution level to make a meaningful contribution and create social value. Consequently, CSR initiatives that are implemented are fragmented and lack clear direction for optimised effectiveness.

It is only the construction charter and the mining charter (Department of Mineral Resources, 2018) that mention consultation with beneficiary communities as a mechanism to ensure that social needs are adequately met. However, public consultation as indicated in the charters is too simplistic and cannot be the only mechanism or factor to be taken into account during programme design and execution. Findings of this research provide further insight into what elements should be taken into account by firms implementing CSI interventions as required by the charter.

3.5. Different types of settlements in South Africa

This research was undertaken in three communities that reside in different settlements - one being a traditional settlement and two being township settlements. Each type of settlement presents a unique historical and associated socioeconomic context which drives perceptions of communities that live in those settlements. Thus, it is necessary for this research to elaborate on the history of land occupancy in South Africa and the formation of different settlements.

3.6. History of land occupancy and settlements in South Africa

Prior to colonisation, land was owned by household. Following the arrival of colonialists and the establishment of the Zuid-Afrikaansche Republiek (ZAR) in 1852, open land was surveyed and divided into farms, and the then government allocated certain locations (thereafter called reserves) for large native tribes (black South Africans) to occupy. This changed the population concentrations for natives as they moved from dispersed household setup to more concentrated setups, causing conflict between settlers and local people. Those that could afford to rent land outside the reserves were allowed to do so at a fee. However, in 1910 South Africa became a union, after which freedom of movement and land tenancy afforded outside the reserves was curtailed (Phuhlisani, 2018).

In 1959, the enaction of the Bantu Self-Government Act led to the establishment of Bantustans. Bantustans were areas assigned by the then government to groups of black South Africans that were deemed by government as belonging to a homogenous tribe, sometimes incorrectly so (Phuhlisani, 2018). Community B, which is one of the cases in this research, is a traditional community located in the former Bantustan areas.

Post-colonialism, cities and urban areas such as Johannesburg started to emerge as a result of industrialisation. Consequently, there was a need for labourers in urban areas. The required labour force (black males) was sourced from the reserve areas and Bantustans (also referred to as homelands). Employers (owners of mining companies and factories, among others) provided homesteads known as hostels or servants' accommodations near the cities/ workplaces for their labourers. Since only men were allowed to work at the time, hostels were occupied by men.

Following World War II, there was relaxation of racial and gender movement restrictions and females (wives) could visit their working husbands and this led to rapid urbanisation as some did not return to the homelands. Despite this rapid urbanisation, no new accommodation was built to cater for the influx. This led to overcrowding in black urban sites (Bonner, 1988). Labourer communities had to invade any available land further outside the cities, with no amenities and under poor living conditions. Such areas (areas invaded and areas formally allocated to the black workforce at the time) are called townships.

Each city in South Africa has at least one township associated with and, with Johannesburg having the most. Community A and Community C, the other two cases in this study, are located in the townships. It is important to note that most townships in South Africa today are now formalised with amenities but informal extensions of townships continue to emerge on the outskirts of formalised townships as people flock to cities for job opportunities and without rent.

3.7. Current community types in South Africa

In the current years, many black South Africans have moved from townships and rural areas to suburban areas which were previously reserved for white occupation, making for very heterogeneous settlements and community set-ups. These set-ups can be classified into three groups as follows:

Suburban communities: These are communities that live in more developed areas in the outskirts of cities called suburbs. These are areas that were previously reserved for whites, but now the black middle class population is also residing in these areas at large numbers.

Township communities: Townships are still inhabited by low-income black communities. While some parts of South African townships are formalised areas with adequate municipal services, informal extensions of these areas are overcrowded, with no service delivery.

Traditional rural communities in South Africa: These are homeland communities and are led by traditional authorities/chiefs. It has been estimated that approximately 16 million people in South Africa live in these communities led by 2 400 traditional leaders (George & Binza, 2011).

3.8. Traditional communities and powers of traditional leaders

As indicated, one of the cases for this research is in Community B, which is a traditional community. Of importance for this research is that traditional communities are led by traditional leaders who have certain powers that can influence CSI decisions for the communities they lead. Context to traditional leadership is provided in the following paragraphs.

3.8.1. Historical aspects of traditional leadership

The Bantu Authorities Act of 1951 concentrated power, including administrative and judicial powers, to chiefs and tribal authorities. Their functions included the following (George & Binza, 2011):

- Allocation of land held in trust;
- Preservation of law and order (made court decisions and judgements);
- Provision and administration of services at local government level;
- Social welfare administration, including the processing of applications for social security benefits and business premises;
- Promotion of education, including the erection and maintenance of schools and administration of access to education finance;
- Distribution of land;
- Collection of taxes;

- Cultural matters including marriages and rituals; and
- Safety and security (protecting locals and relations with outsiders).

This meant that chiefs have powers and the final say on what happens in the land under the reserves. Bantustans constitute 13% of South African land (Phuhlisani, 2018) and they remain headed by chiefs until today, albeit the power of chiefs having shifted significantly, as elaborated in the section that follows.

3.8.2. Post-democracy powers of traditional leadership in traditional communities

The power of chiefs in the democratic South Africa has become vague following the promulgation of the constitution and the establishment of local governments in 1996. This is because the constitution, in its efforts to ensure equality, concentrated powers and functions – including those previously held by chiefs – to local governments, leaving tribal authorities with what seems to be a supporting role. Drawing from the constitution, details on the roles and functions of the chief are provided for in the National House of Traditional Leaders Act, 2009 (Act 2 of 2009), and the Traditional Leadership and Governance Act, 2009 (Act 41 of 2003). The National House of Traditional Leaders Act, 2009 (Act 2 of 2009), states that traditional leaders must cooperate with provincial houses of traditional leaders in order to promote:

(i) nation building;

(ii) peace, stability and cohesiveness of communities;

(iii) the preservation of the moral fibre and regeneration of society;

(iv) the preservation of the culture and traditions of communities;

(v) socioeconomic development and service delivery;

(vi) the social well-being and welfare of communities; and

(vii) the transformation and adaptation of customary law and customs so as to comply with the provisions of the Bill of Rights in the Constitution, 1996, in particular by preventing unfair discrimination and promoting equality.

This means that the traditional leaders must simply support (cooperate with) the work of government. Traditional leadership or council may also, in terms of the Traditional Leadership and Governance Act, 2009 (Act 41 of 2009), perform functions such as arts and culture; land administration; agriculture; health; welfare; the administration of justice; safety and security; the registration of births, deaths and customary marriages; economic development; environment; tourism; disaster management; the management of natural resources; and the dissemination of information relating to government policies and programmes. However,

national or provincial government must decide and delegate such functions in given circumstances through legislative means, with monitoring (George & Binza, 2011). This means that the exercise of these powers by traditional leaders does not supersede government powers on the same matters except where such powers are delegated from government to the traditional authority.

3.8.3. Role of traditional leadership in CSI

Because chiefs have over time gained legitimacy as leaders of the community in homelands, they have become sort of intermediaries between firms and the community on CSI matters, especially with regard to mining activities. They are presumed custodians of communal lands and (though arguably so) are seen as ultimate decision makers on matters relating to the land they rule (including CSI matters) and, therefore, any CSI activity that companies must implement is seen as requiring approval by a chief.

These powers remain questionable because, according to the South African Constitution and Customary Law, all citizens (including those led by tribal authorities) are entitled to procedural and substantive rights in decision making regarding their land. Thus, the powers of chiefs are limited in respect of these rights. Also, the Interim Protection of Informal Land Rights Act (IPILRA) protects the rights of community members to their household fields and common natural resources such as grazing and ploughing fields (Pickering & Nyapiso, 2017). However, the fact that the MPRDA specifically requires that chiefs lead compensation negotiations (which often include CSI activities throughout the lifespan of the mining activity) between the mining houses and local communities is perpetuating this notion that chiefs are custodians of land. This leads to situations where in some instances a firm's consultations with communities is limited to consultation with chiefs, leaving communities dissatisfied. Further implications of tribal authorities on CSI and community perceptions are discussed in the results chapters.

3.9. Conclusion: Significance of the South African context

Given the above, South Africa as a developing country provides a unique context for studying CSI. Firstly, at institutional level, developing countries' CSR does not enjoy systems where business, governmental, legal and social actors operate according to some measure of mutual responsiveness like their developed counterparts (Dobers & Halme, 2009). In these developing country contexts, institutional environments are less strong and characterised by inefficient and poor enforcement of legislation compared to developed countries. As demonstrated earlier, despite South Africa's legislative requirements for CSI, enforcement and monitoring of these requirements are poor and it is therefore important to understand community receptions of CSI under such circumstances.

Secondly, CSI is about issues management (Carroll, 1979) and the issues that companies address in developing countries are different from those in developed countries. Unlike developed countries where CSI is often concerned with environmental protection (no harm to animals, conservation of trees, protection of ecological areas), using best available technologies and others, CSI in developing countries is primarily seen as a means of poverty alleviation and addressing social and socioeconomic ills. It is for these reasons that CSI in South Africa is focused on issues of education, community development, health (HIV/AIDS) and business support (Figure 1). These types of issues dealt with by corporations in developing countries are usually issues that fall within the mandate of government. Thus, this study sought to understand community perceptions of CSI in communities against the background of such circumstances, including failing governments.

Lastly, the South African setting provides a unique context, given the history of apartheid. Although many know about this history, what is less written about is that different communities in South Africa had different experiences of the apartheid regime in time and space. South African township communities had different experiences of apartheid from traditional communities. Consequently, these location and cultural differences in experiences of communities have implications for their relationships with neighbouring firms.

Chapter 4 : Research design and methodology

In this chapter, the philosophical paradigm, research design and data collection methods are discussed, and the justifications are provided. The chapter ends with a description of techniques used for data analysis.

4.1. Research paradigm

This research was conducted in an interpretivist philosophical paradigm. Interpretivist philosophy is based on the premise that truth/reality is subjective and depends on people's subjective evaluation and perceptions of their experiences (Wahyuni, 2012). The said evaluations are influenced by social circumstances such as beliefs, values and politics, suggesting that reality is socially constructed (Baxter & Jack, 2008; Welch et al., 2011).

An interpretivist orientation is appropriate for the type of research that seeks to obtain individuals' perceptions and views about a situation they experienced in a specific context, taking into account complex and multiple perceptions that are influenced and constructed by culture, values, social conventions, politics, ideology and power (Creswell et al., 2007; Creswell & Poth, 2017; Goles & Hirschheim, 2000; Parker, 2003). This characteristic of an interpretivist paradigm made it appropriate for this research because this research sought to understand community perceptions regarding elements of social value creation based on their experiences of CSR programmes in their specific context.

4.2. Research design

A case study design was used to understand community perceptions regarding social value creation processes based on their experiences with CSR activities implemented in their localities. Case study is a research strategy in which the researcher explores a real-life event, issue or problem that is context specific, through an in-depth analysis of data about a specific individual, group, process or project (Creswell & Poth, 2017; Lauckner et al., 2012).

Case studies are suitable for answering the "*how"* and "*what*" questions (Wahyuni, 2012; Yin, 2014). In this research, the question asked was *"What are communities' qualitative perceptions of elements of social value creation processes and elements of value judgements?"* Presented differently, this question seeks to understand how communities present value creation elements. Accordingly, case studies are good for answering such questions (Wahyuni, 2012; Yin, 2014).

Secondly, case studies are suitable when dealing with a contemporary issue (Wahyuni, 2012; Yin, 2014). Since this study was exploring current perceptions of the community based on the

recent (and sometimes ongoing) experiences of CSR programmes, case study research was most appropriate.

Lastly, case studies are recommended when the boundaries between the phenomenon being studied and its context are unclear (Yin, 2014). In this study, the boundaries between community perceptions of a value creation process and the context are not clear. That is, it was unclear how the prevailing political, social and socioeconomic conditions and other contextual conditions would affect the perceptions of each individual community. Case study research was therefore better suited for this research.

Case studies have not always been acknowledged as proper scientific methods, mainly due to the fact that they involve an assessment of only one of a few cases, making it difficult to provide data that can be generalised from a case to the larger population (Dubois & Gadde, 2002; Yin, 1994). However, recent debates position case studies as well suited for inductive theory building, enabling in-depth understanding of what is happening and why, and even providing an understanding of the implications of actions (Baxter & Jack, 2008; Dubois & Gadde, 2002; Saunders et al., 2016; Yin, 1994). Thus, a case study design was selected for this research in order to provide in-depth understanding of communities' perceptions of the social value creation process.

Case studies have been used in the past to understand a community's perceptions of an issue. For example, Yalegama et al. (2016) studied community perceptions of factors contributing to the success of a community development project. However, as indicated earlier, community perceptions from their study used surveys to obtain only quantitative perceptions from community members. Other studies used case studies to understand qualitative perceptions of communities. For example, Rogers et al. (2008) studied the Thirlmere community's qualitative perceptions of a community-based renewable energy programme. Additionally, Campbell and Ahrens (1998) used multiple case studies to understand the community service providers' and assault victims' qualitative understanding of why and whether community programmes aimed at assisting sexual assault victims are effective (or not).

4.2.1. Case study design

In this research, a *multiple* (embedded) case study design (or type four in Yin, 2014) was used. This is the type of design in which the researcher undertakes more than one case analysis (multiple); while within each case, the researcher undertakes different levels of analysis (embedded). This is elaborated below.

a) Multiple cases

The researcher opted to undertake a multiple case study because a single case study could not be justified. Single case studies are only suitable when investigating a unique/exemplar/unusual case that can be used to understand the phenomenon in question (Yin, 2014). Such a rare/unique case could not be identified for this study; hence, a single case study could not be justified. Consequently, a multiple case study approach was selected. Multiple case studies are renowned for providing a more comprehensive and robust insight into the issue than single case studies (Wahyuni, 2012; Yin, 2014). They also enable the researcher to better generalise to theory (not populations) (Welch et al., 2011).

b) Embedded cases

Within each case of the multiple cases, this research identified smaller units of analysis or embedded cases, i.e., individuals in the community. Perceptions from individuals (embedded cases) were pooled together for the community level of analysis (actual cases) (Yin, 1994, 2014). Subsequently, the study generalised individuals' perceptions (lower order cases) and community level of analysis (higher order case). Following Yin's (1994) advice, the results obtained from individuals can only be pooled to a community, but cannot be pooled across communities (cases).

4.2.2. The unit of analysis

In case study research, the *case* can be either an individual, decision, organisation, process, community or event (Onwuegbuzie & Leech, 2007; Yin, 2014). The cases for this research were *communities* and the unit of analysis was *perceptions.* It should be also noted that in case study research, the focus is on *the issue,* and *cases* were selected to understand the *issue* (Creswell et al., 2007). This is one aspect of case studies that distinguishes it from other social science strategies such as phenomenology and narrative enquiry. For example, in narrative enquiry, the focus is on the individual and the story; in phenomenology the focus is on the individual and their conceptions/perceptions (with the unit of analysis being the individual perception). For case studies, on the other hand, the focus is on issue *X* and the individual(s) and community(ies) may be selected as *case(es*) to understand that issue (Creswell et al., 2007). Using the said analogy, in this research, the issue being investigated (unit of analysis) was *perceptions:* the specific *cases* (communities) were selected and studied to understand the *issue (perceptions)*.

4.2.3. Candidate cases

As indicated earlier, the cases for this study are communities. Unfortunately, there is no information or databases regarding communities that are receiving particular types of CSI initiatives in South Africa. Hence, it was necessary to first identify companies that are implementing CSI initiatives and, thereafter, to find communities where such initiatives were/are implemented.

As a starting point, the 2017 Trialogue report (Trialogue, 2017) was used to identify companies that were actively engaging in CSI initiatives. Trialogue produce the most comprehensive year on year report on the CSI landscape to date, based on data from approximately 100 South African companies. Although the 2017 Trialogue report covered CSI data from 92 companies, there are many other companies in South Africa implementing CSR initiatives aimed at creating social value for different communities, albeit limited/no reporting. Most of the initiatives reported in the 2017 report (over 60%) were in the domains selected for this research (health, education and income) (Trialogue, 2017). This means that there was a plethora of potential candidate cases to aid in understanding the issues concerned in this research.

Given the large number of potential candidate cases, it was necessary for this research to undertake a two phased sampling approach. Firstly, a mini literature review was done to select candidate cases that met the set sample criteria (Yin, 2014). Using the Trialogue (2017) report, the researcher investigated companies whose CSR initiatives met the following criteria:

- CSR initiatives that fell within the domains of health, education/skills and entrepreneur development. This was to ensure alignment with the domains identified in the definition of social value creation (Kroeger & Weber, 2015).
- CSR initiatives that were implemented by JSE-listed companies. This was because JSE companies are required to report annually about their CSR and this would enable the researcher to obtain documents/reports for triangulation under each case study.
- CSR initiatives that were reported in enough detail to enable the researcher to deduce the essence of the programmes, that is, details on programme achievements are showcased in the trialogue report. This was important in enabling the researcher to preliminarily assess the potential for a case to provide rich data.

Based on the above, 22 companies + CSR initiative pairs were identified in the Trialogue report. Annual reports and sustainability/CSR reports from these companies were reviewed for further details. The aim was to identify communities where the projects were implemented. Unfortunately, most company reports do not indicate precisely the communities that received interventions. Only a few company reports do indicate community information and these are

shown in Appendix 7 for the domains concerned in this research (health, education and income creation). These communities (12 in total) represented sampling units for this study.

From the 12 communities in Appendix 7, fewer cases were selected by applying additional selection criteria as follows:

(i) The language spoken in the community was to be one of the Sotho languages (SeTswana, SePedi, SeSotho) or English. These are the researcher's spoken languages and would minimise loss of meaning.
(ii) Communities where the researcher's perceived likelihood to access key informants was high.

In the final selection, the researcher also considered maximising the variability of cases (theoretical replicas). That is, selecting cases that, in addition to the above criteria, were likely to produce variable results given the nature of the firm operating in that community and the type of CSI activity predominantly implemented by the firm (Yin, 2014). Consequently, the communities (cases) selected were as follows (presented here as pseudonyms):

i) Community B in the Northern Province;
ii) Community A in the Central Province; and
iii) Community C in the Southern Province.

The researcher had anticipated that within a community there would be a group of particular individuals who had experienced one specific single CSI programme. However, in the field, the researcher found that, for example, when it comes to health initiatives implemented in Community A, only the clinic officials could share their experiences and elaborate on project details, while the rest of the community could not. This is because some CSI initiatives happened without the knowledge of all community members (either due to the nature of the project, ineffective communication, ignorance or lack of interest). Thus, the rest of the community were not able to provide meaningful understanding of the health programmes and elements involved.

Furthermore, members of these communities (with the exception of Community C) experienced and benefitted from different types of CSR initiatives and often in more than one domain. Hence, in order to enable broader participation of community members, the researcher allowed the interviewees to provide perceptions about any other CSR activity while directing them to activities that fell within the domains of interest (income, education and health).

Although the said approach was not as planned, it improved the richness of the enquiry. This was because interviewees could use different points of reference which enabled the researcher to derive wider elements that community members perceived as critical in value creation. In the end, the research derived community perceptions from various types of CSR initiatives per community instead of only one initiative per community.

Community C was a unique case in that all the interviewees experienced the same programme, meaning that the beneficiaries did not receive multiple CSI projects from a specific firm. The merit of this was that it enabled this research to compare opinions about a single programme across beneficiaries. The demerit of this was that because interviewees were talking about the same programme, saturation was quickly reached as they started repeating the same information. This is further explained in section 4.4.2.

a) Number of replicas

Yin (2014) has emphasised that in case studies, the number of replications is discretionary to the researcher. This is because each case is analysed as a whole in its context and each replica case is *not* selected to confirm the findings in another case. Nonetheless, he advised that the decision on the number of cases must be based on the researcher's sense of the possibility of rival explanations (a condition that can alter the results or what it observed). The researcher can select additional cases to assess if indeed that condition affects the results, which in this study could not be identified beyond the three selected cases.

On the same issue of the number of cases, other researchers (e.g. Lauckner et al., 2012) have noted that investigators must not have too many cases which could result in loss of idiocrasy and in-depth understanding of the individual case. They suggested that the number of cases must not exceed four cases (Lauckner et al., 2012). Nonetheless, other case studies have considered up to 22 case communities (Campbell & Ahrens, 1998). For this study, the researcher ensured that there was a balance between the advantages of plurality in case research (Wahyuni, 2012; Yin, 2014) and the depth of the enquiry by focusing on three cases.

4.2.4. Participant selection: purposive sampling

Qualitative research often uses non-probability, purposive sampling techniques to select study participants (Marshall, 1996). This is because these sampling techniques enable identification of information-rich cases or individuals, which is important for qualitative research because sample sizes are small (Devers & Frankel, 2000; Teddlie & Yu, 2007). This is particularly so for case studies where the identification of individuals that have strong ties to the programme/community experiences and are able to provide better insight into the case is

pivotal (Eisenhardt & Graebner, 2018; Lauckner et al., 2012; Yin, 2014). These individuals are called key informants and their role, in addition to providing insights into the case, can also be to refer or direct the researcher to the relevant documentation or other potential interviewees (Campbell & Ahrens, 1998; Yin, 2014). This nature of referrals is similar to snowballing or respondent-driven sampling (Heckathorn, 2011). The following diagram shows how the different participants were obtained for this study. The names mentioned here are pseudonyms.

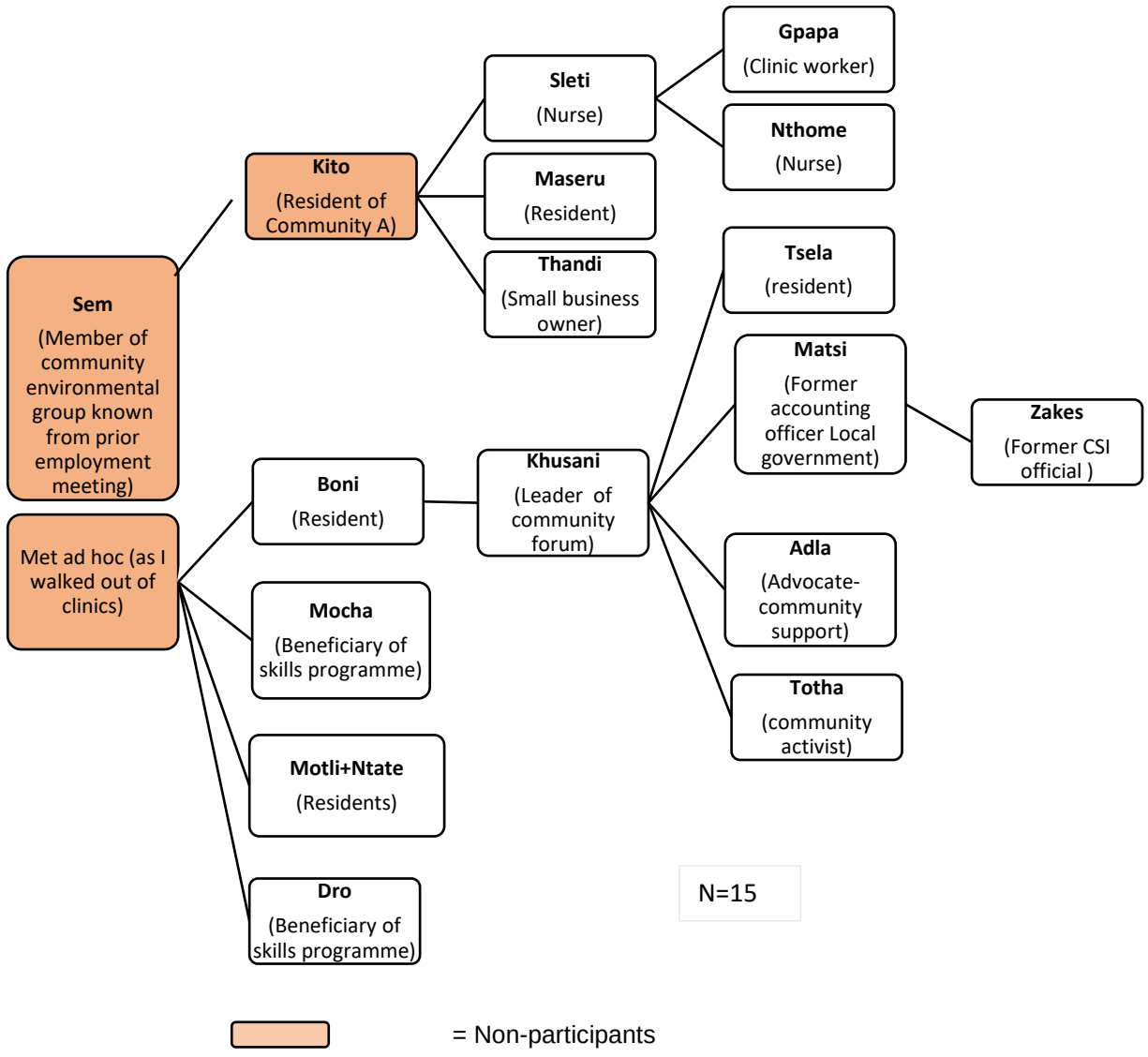

Figure 2: Study informants (pseudonyms) in Community A

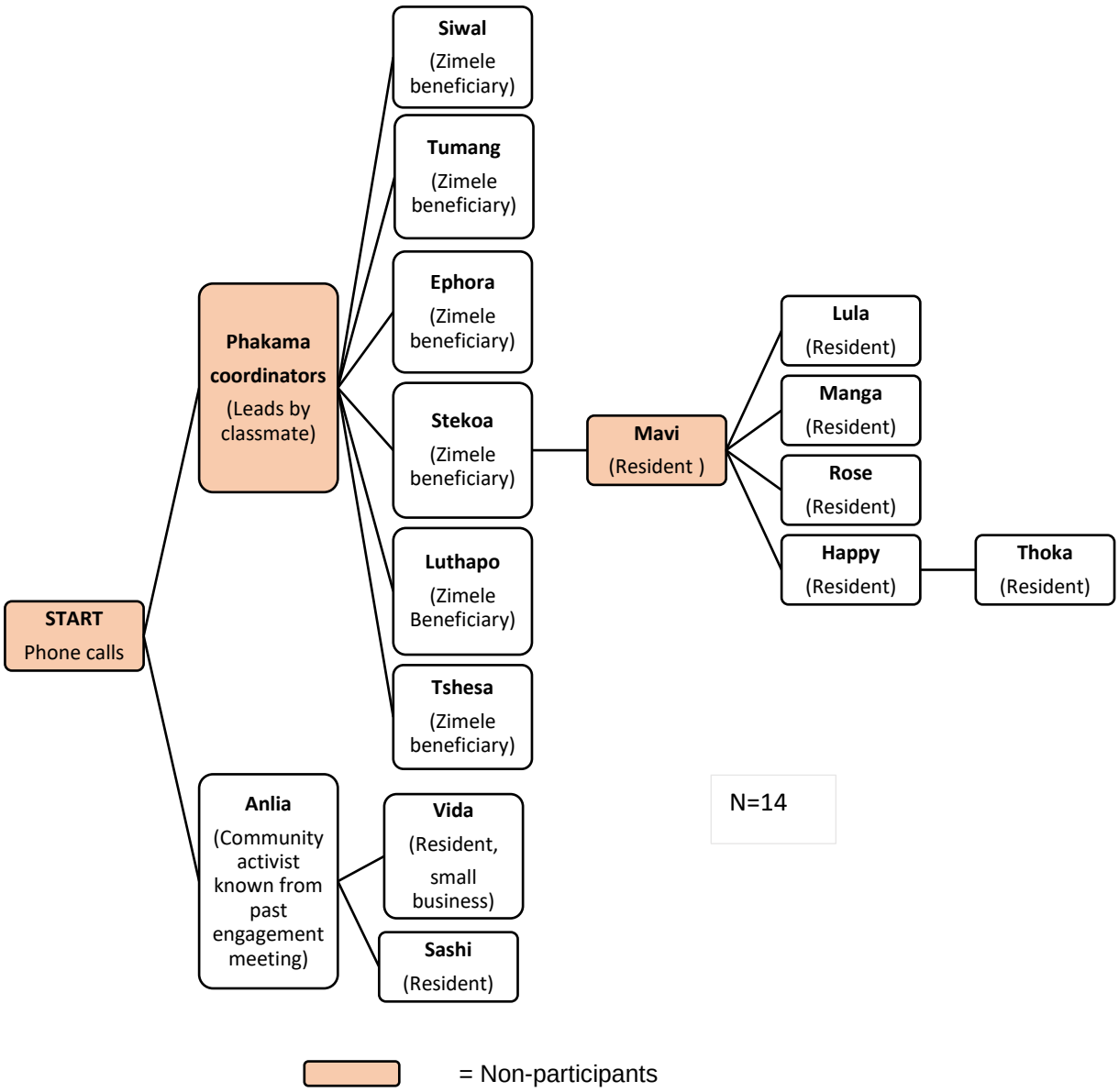

Figure 3: Study informants (pseudonyms) in Community B

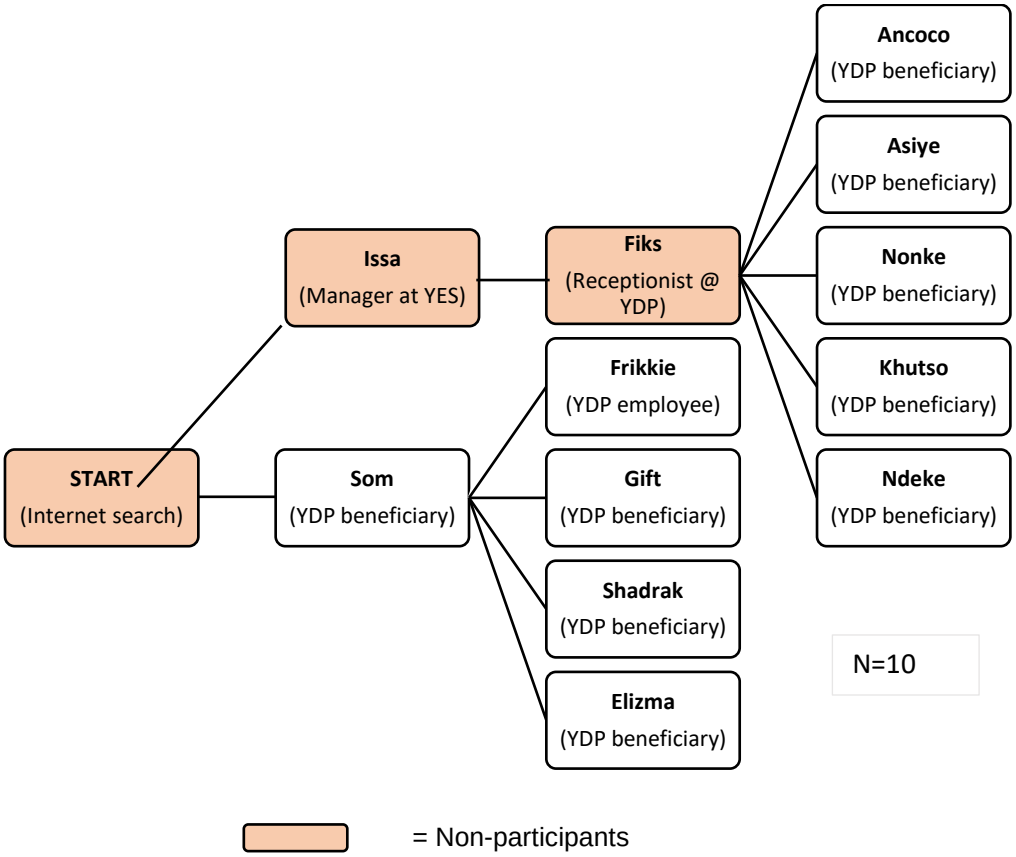

Figure 4: Study informants(pseudonyms) in Community C

One of the challenges with referral methods like these is that the key informant may have control over the sampling process and may direct the researcher to where it is favourable for him or her (Heckathorn, 2011). This was minimised by ensuring that more than one key informant was identified so that not all interviewees were sourced from the same person or from the same chain (as shown in Figure 2 to Figure 4 above).

4.2.5. Number of participants

There is currently no unanimous guidance from literature on the number of participants (sample size) for a qualitative study. Some have argued that “an appropriate sample size for a qualitative study is one that adequately answers the research question” (Marshall, 1996 p. 523). In studies of people’s experiences and perceptions, Gill et al. (2008) posited that sample sizes can be as little as one participant. Yin (1994) also posited that the criteria for sample size is irrelevant in case studies because the sample logic does not apply.

That notwithstanding, Onwuegbuzie and Leech (2007) advised that the freedom given to the researcher on qualitative sample sizes should not be interpreted as sample size being unimportant. The generic guidance given is that the sample should not be too large that it becomes difficult to get thick data; yet not too small to achieve saturated data (Onwuegbuzie

& Leech, 2007). They indicated that in selecting the size of the sample, the researcher must be mindful that the size will determine the type of generalisation that can be made (Onwuegbuzie & Leech, 2007).

In this research, there was a need to generalise from individual perceptions to the community. Thus, getting opinions and perceptions from a handful of participants would not have generated sufficient data for such generalisations. Hence, this research solicited and obtained participation from at least 10 participants per case. In the end, the following number of participants were interviewed:

- Community A: n = 15
- Community B: n = 14
- Community C: n = 10

This made a total of 39 participants. This number was deemed sufficient for the purpose of this research. An extensive literature review by Saunders and Townsend (2016) showed that although there is a large variability in participant numbers in qualitative organisational research, the numbers should be determined by the research purpose. Saunders and Townsend (2016) have suggested, based on expert opinion and the discernible norm from a review of over 200 publications, that participants' numbers should be approximately 30 participants for a homogeneous group and approximately 60 participants for a heterogeneous group. However, the authors emphasised that these are indicative numbers; thus, researchers should take into account other factors such as the purpose of the research and saturation when making a determination of participants' numbers. For this research, the plan was to undertake approximately 45 interviews or +/-15 per case, which would have been the minimum discernible norm (Saunders & Townsend, 2016). However, saturation was reached quickly at Community C, resulting in interviews being discontinued after 10 participants were interviewed.

4.3. Research methods

To answer the research question, this research used the qualitative research method. The choice of this research type was influenced by the nature of the research question, unit of analysis, as well as the adopted research philosophy (Bryman, 2006; Marshall, 1996; Morgan & Smircich, 1980; Parker, 2003).

Firstly, the research question asked was "*What are communities' qualitative perceptions of elements of social value creation?*" In this question, the unit being investigated was "*perceptions.*" Data were collected about community perceptions of social value creation processes. Although community perceptions can be obtained using either quantitative (Levenson et al., 2007) or qualitative approaches (Rogers et al., 2008), a qualitative approach

is better because it will provide more *in-depth* understanding of such perceptions that cannot be obtained using qualitative research (Parker, 2003).

Secondly, as indicated in section 4.1 (research paradigm), this research was conducted from the assumption that community members' perceptions are socially constructed. This means that they are influenced by social values, beliefs, politics and other contextual issues and, according to Marshall (1996) and Morgan and Smircich (1980), qualitative research is best suited for dealing with data of such nature. Furthermore, this research was dealing with the issue of social value creation which is rather complex, dynamic, multidimensional and influenced by social and institutional contexts (Jamali & Mirshak, 2007; Kroeger & Weber, 2015; Rawhouser et al., 2017). Although qualitative research can deal with context, it is limited in this regard as compared to qualitative research (Yin, 2014). Qualitative research is best suited for dealing with context-specific, complex social phenomena because it will draw out all the complexities, richness and detail around the phenomenon being investigated (Lauckner et al., 2012; Parker, 2003).

Lastly, the intended outcome of the research analysis was thematic analysis with thick descriptions of community perceptions and interpretations of CSI value creation processes and contributing elements. Such thick description can only be obtained through a qualitative research instead of a quantitative research (Marshall, 1996; Morgan & Smircich, 1980). Quantitative research fails to achieve thick descriptions of the "*how"* because it will only solicit short and controlled responses from participants, often from a short list of variables (Gephart Jr, 2004).

4.4. Data collection methods

For this research, the primary source of data was semi-structured interviews and documentary data. Details on these are elaborated on in the next sub-section. Throughout the research process, the researcher maintained flexibility in order to revise data collection approaches and techniques as needed (Devers & Frankel, 2000; Lauckner et al., 2012).

4.4.1. Data collection protocol

A case study protocol was developed for this research (Appendix 1) using guidelines from Yin (2014). A case study protocol is different from other study protocols, such as survey questionnaires, in that it contains more than just the questionnaire or instrument. It contains an overview of the case study, data collection procedure, data collection questions and guide to the case study report (Yin, 2014). The protocol directed the data collection process and gave

the research focus on salient features of the case but remained flexible for changes where necessary (Lauckner et al., 2012).

4.4.2. Interviews

The primary tool used for data collection was one-on-one semi-structured interviews. This study conducted interviews with community members who had knowledge about CSR activities in their community. Interviews were deemed appropriate in this study because the study was exploring perceptions, views and opinions about an issue (Gill et al., 2008; Wahyuni, 2012).

The initial intention was to conduct one-on-one *contact* interviews at a location convenient to the participants. Contact interviews in particular were the preferred a mode of enquiry (rather than telephonic interviews) because they improve comprehension of the questions, negate communication breakdowns and improve participant attention (Irvine et al., 2013). One-on-one interviews were particularly favoured over group interviews because they allow participants to feel free to express their feelings and opinions without being concerned about the presence of others (Gill et al., 2008).

Using the above approach, eight contact interviews were conducted before the advent of COVID-19 restrictions, following which contact interviews were not feasible. Consequently, the remaining 31 interviews were conducted telephonically. While this improved the ability of the researcher to schedule interviews at any time, it has denied the researcher the opportunity to experience the ambience and to observe participants' unspoken/body language.

Appendix 4 shows the interview characteristics per case. In terms of demographics, the majority (over 70%) of interviewees were male. Nonetheless, the researcher does not believe that this skewness in gender composition of interviewees affected the results. There was no pertinent gender dimension observed from community members' perceptions of CSR.

4.4.3. Interview protocol

This research used a semi-structured questionnaire with open-ended questions (Appendix 1 to this document) which are good in ensuring that respondents remain within the scope of the research, while at the same time allowing some flexibility for in-depth details (Leech, 2002; Wahyuni, 2012). This feature was important for this research because it allowed participants to share their views and experiences while limiting them to the elements that they associate with value creation processes. In the absence of structure, respondents would have focused

only on outcomes and provided less depth on elements that contribute to outcomes (antecedents).

The interview instrument (Appendix 2) for this study was constructed following the guidance provided in Gill et al. (2008), Harris (2011), and Smith and Osborn (2004). In summary, these authors have offered the following advice for constructing an interview schedule aimed at obtaining individual perceptions:

a) Identify a broad range of issues that must be covered be the questionnaire.
b) Sequence the issues so that easy questions are asked earlier than sensitive ones.
c) Identify possible probing questions.
d) Frame questions as generally as possible with the aim of allowing the participant to speak more and avoid leading questions and funnelling where necessary.

The interview script was piloted on 01 November 2019 with Sam (pseudonym) who was acquainted to the researcher through previous multistakeholder engagement forums. He was selected because he had knowledge of one of the communities under study and this made him a suitable surrogate for the potential participants. Based on insights from the pilot, minor amendments were made to the interview script.

Despite the schedule provided in Appendix 2, this research did not follow the questions in the set order (Smith & Osborn, 2004). Also, not all questions were asked the same way (Smith & Osborn, 2004). The sequencing of questions and the actual number of questions asked were guided by the participants' responses (Smith & Osborne, 2004).

As the researcher progressed with the interview, the need to include additional questions to the script was identified. The questions added are highlighted in blue in Appendix 2.

4.4.4. Interview translation

South Africa is a multilingual country with 11 official languages. The interviews were conducted in different languages, mainly Sotho languages (SeSotho, SePedi and SeTswana) and English. The researcher is fluent in these four languages.

Language difference is important in research because social concepts or social worlds are understood differently by individuals speaking different languages (Temple & Young, 2004; van Nes et al., 2010). If the issue of translation is not adequately addressed, it may affect the credibility of this research. As a qualitative study, this research was supposed to derive *meaning* and such meaning lay in adequate translation from native language to English (van Nes et al., 2010).

The interviews were transcribed by two Sotho transcribers. The transcribers did not do back transcription as the recommended gold standard. Instead, a parallel transcribing-translating approach was adopted. This meant that the transcribers were translating the interview as they were transcribing. This was considered adequate because both the transcribers and the researcher are multilingual, meaning that the forward-and-backward translation can happen at the same time in the minds of both the transcriber and the researcher.

Furthermore, and taking van Nes et al.'s (2010) advice, the researcher did not rely solely on the translator-transcribers' scripts. Rather, she worked on the transcripts post-submission (Temple & Young, 2004; van Nes et al., 2010). The researcher took on average between three and eight hours per script making revisions to address technical language translation losses related to the following challenges:

Table 2: The nature of transcription issues addressed by the researcher

Translation-transcription challenge	Benefits of researcher review
Poor audio: Since most interviews were telephonic, audio quality was not the same for all interviews. Hence, some of the spoken words and sentences in the audio were faint.	Since the researcher was part of the conversation, she was better able to hear the words, guided by the memory of what was being discussed. On a few occasions, even the researcher could not hear some words and such is indicated on the scripts.
Use of technical terms: Owing to some audio challenges, explained above, transcribers could not hear some of the technical terms. For example, social value could sometimes be heard as sociology.	Technical background of the researcher enabled editing of technical terms.
Meaning: In some instance, a transcribed word could lose meaning, especially if the reader does not understand the context of the discussion. For example "you know *our leadership.*"	Where the meaning of some words and statements was not clear, additional meaning is bracketed e.g. [*our leadership* can mean *our government* or *political leaders*].

Following extensive periods of editing the scripts, the researcher believes that the transcripts as presented now provide a good depiction of the conversations with interviewees. The editing process also provided the researcher with an opportunity to reflect on the interviews and make additional notes that assisted in the subsequent analysis process.

Lastly, for final verification, two scripts and audios were presented to an accredited translator. The South African Translators' Institute (SATI) has only a handful of accredited English to Sotho language translators. One of the practitioners was appointed to verify that there was no meaning lost in translation based on a sample of two interview scripts. The report from the expert translator is provided in Appendix 8. In summary, the translator reported that there was no loss of meaning, but raised issues relating to grammar. These issues were addressed by appointing a qualified English editor to thoroughly edit the entire thesis. The English editor note is attached in appendix 9.

4.4.5. Documentary data

Documents and archival data were used to obtain additional depth of understanding of the issue under study, for triangulation purposes (Eisenhardt, 1989; Wahyuni, 2012). This research used documentary data in the form of company sustainability reports, social labour plans, previous research on same communities and local news/media reports. The reports are not referenced here for anonymity reasons.

Only the relevant sections of documentary data were used for triangulation and obtaining more insights, while taking into account that the documents were written for a different purpose, with author biases (Saunders et al., 2016; Yin, 2014). Even though the documents contained other interesting information, the researcher was limited to only information that was relevant for this research's line of inquiry. For this, relevant sections of each document were highlighted in a unique colour; thereafter, the document was uploaded on to Atlas.ti for coding. The coding exercise was limited only to the highlighted sections (relevant sections) of the report instead of the entire document.

a) Coding documentary data

Documentary data were coded after the coding of interview transcripts. This is because this research was about community perceptions and therefore interview data containing community perceptions (instead of documentary data) were supposed to inform the emerging themes. Documentary data were only used to identify data that supported, refuted or enhanced interview data. Thus, coding of documentary data was done in a manner that the codes could be linked to existing codes/code groups that emerged during the coding of interview data.

In order to ensure that documentary data codes were not confused with community perceptions data codes, documentary data codes were given a prefix "Doc" alongside a related community prefix. This allowed the researcher to easily identify and differentiate between codes that were about perceptions (interview data), and codes useful for triangulation (documentary data).

b) Reporting documentary data

Documentary data codes that were relevant for reporting under a given category or theme for each case (within-case analysis) were used for triangulation. After writing each theme, the researcher revisited Atlas.ti documentary data codes to identify which codes were relevant for triangulation under a category. The relevant codes were then incorporated into the write up of case analyses.

4.4.6. Recording and memoing

During interviews, the sessions were recorded to give a permanent account of what transpired during the interview. In addition to recordings, the researcher took field notes (Lauckner et al., 2012; Yin, 2014) which were scanned and converted into an electronic document (PDF) for safe record keeping. Field notes from this research contained the following types of information, each of which was analysed differently.

a) Main discussion points during the interview

The bulk of the field notes document contained key discussion points from the interviews with community members. During data analysis, the researcher manually read through the notes to identify any relevant points that were not well represented by the codes/code groups that emerged from the interview transcripts coding exercise. In instances where the issue or point was not well represented in the code groups, the relevant scripts were revised and, in a few instances, recoded. Only discussion points from the lost interview audio were coded using Atlas.ti since there was no transcript.

b) Challenges experienced in the field

Field notes also contained challenges and associated corrective measures. The researcher also noted some opportunities to improve interview etiquette. Challenges and opportunities experienced resulted in changes in the methodological approach of this research and are therefore reported in the relevant sections of this methodology chapter.

c) Researcher experience of the field

Prior to the onset of the COVID-19 pandemic, the researcher had the opportunity to physically visit one of the communities for interviews. During this part of the research, the researcher documented her experience of the look and feel of the community (and took some photographs), as well as the atmosphere of the interviews. Some of the researcher's field experiences of the research setting are reported as part of case description, though limited in

order to ensure anonymity. For other communities, interviews were only done telephonically and field experience was not afforded.

4.4.7. Safe keeping of records

Records of this study were submitted to GIBS Doctoral Office on 23 October 2019 for storage and safekeeping at the GIBS Information Centre. The records submitted include (i) interview audios, (ii) interview transcripts (iii) documentary data and (iv) field notes. The data will be stored by the Information Centre for 10 years, typically off-site.

4.5. Data analysis

In case study research, data analysis starts with case description (Creswell et al., 2007). The three cases considered in this study are described in section 5 (research findings) to remind the researcher and readers of the contextual issues associated with each case (Creswell et al., 2007). Following case descriptions, the following analytical procedures were applied to interview data:

4.5.1. Pre-analysis

Different edited transcripts were annotated (Littlewood, 2014; Smit, 2003) in order to highlight the content-rich sections of the interview transcripts, and eliminate obsolete information such as lengthy greetings and out of context discussions. Specifically, different colours were used to distinguish obsolete parts (such as greetings, consent reading and exit discussions) and research relevant parts. This phase also involved skimming through documentary data to examine which information contained text that was likely to be useful for the next phase of analysis (Bowen, 2009). To do this, information rich chapters of documents were colour coded.

4.5.2. Data analysis strategy: inductive

Yin (2014) has presented various general strategies for case study data analysis. These are (a) starting from hypothesis (deductive); (b) working with data ground up (inductive); (c) developing a case description; or (d) looking for rival explanations. In this study, data were worked ground-up (inductive). Although this is the typical approach for grounded theory, researchers have recommended that this can be adopted for case studies and other narrative research (Lauckner et al., 2012; Leech & Onwuegbuzie, 2008; Yin, 2014). Case studies are regarded as well suited for inductive theory building, enabling in-depth understanding of what is happening and why (Baxter & Jack, 2008; Saunders et al., 2016).

Although in section 2.4 some elements contributing to social programme success (a parallel to social value) are mentioned, these were not used as the basis for theory development for the reasons provided in the same section. The researcher distanced herself from this knowledge during data collection and analysis to ensure that theory was developed from field data and not from the researcher's existing knowledge.

Indeed, the possibility that research can be purely inductive or deductive has been challenged in literature (Goulding, 2005; Welch et al., 2011). That is, it remains debatable whether a field researcher can fully distance herself from data because a researcher has her own experiences, emotions and prior knowledge from scholarship that influences her study throughout (Goulding, 2005; Mauthner & Doucet, 2003; Welch et al., 2011). Hence, it is important for a qualitative researcher aiming for inductive theory approaches to reflect (and disclose) her assumptions or other personal factors that influence how she analyses data and develops theory out of it (Mauthner & Doucet, 2003).

4.5.3. Data analysis techniques - coding

For each case, interview scripts and document extracts were coded with the aid of Atlas.ti software (Lauckner et al., 2012; Smit, 2003). Using this software, codes were assigned to different sections of the interview transcripts, each code representing a concept of interest (Creswell et al., 2007; Yin, 2014). In the initial set of codes, the researcher aimed to ensure that the codes were as close to data as possible by using key words used by participants in the code phrase (Liamputtong, 2009).

Coding started with scripts from Community A case. This was the case with the most participants and the researcher perceived it as the most content rich case. From this case, 900 codes were generated. The codes that contained similar types of information were grouped into Atlas.ti code groups (also referred to as categories) that represented the author's understanding/interpretation of codes and data (Creswell et al., 2007; Leech & Onwuegbuzie, 2008; Welch et al., 2011). From this first cycle (Community A case scripts), 200 code groups were generated. As the analysis continued, it was realised that some of the codes were repetitions, thus such codes were merged (Liamputtong, 2009). This resulted in 589 codes and 40 code groups after this first cycle (Community A case). This was a reiterative process of (i) adding (ii) merging (iii) deleting and (iii) renaming codes and code groups as understanding of data evolved.

In order to limit the number of code groups (categories) to a manageable size, some grouping of codes was done at Atlas.ti codes level (to create sub-categories) and aggregated at code

group level. For example, community challenges were grouped into crime, education, and economic challenges. However, this grouping was done at code level as shown below:

Code group (Category)	**Codes (with a prefix representing a subcategory)**
Community challenges	ComChal_Crime_foreign nationals ComChal_Crime_vandalism by locals Comchal_Education_unwillingness to learn ComChal_Education_no access to bursaries

The creation of code groups was more analytical and more theoretical than the initial coding. The grouping enabled the research to generate more meaningful categories that would not be achieved with hundreds of codes (Johnson, 2014).

4.5.4. Saturation

Saturation defines a state in a research process where additional data collection is not improving research results. However, researchers have been unclear on how to operationalise this concept. Fortunately, in their most recent iteration, Saunders et al. (2018) have provided a better explanation and present four types of saturation: theoretical saturation, inductive thematic saturation, a priori thematic saturation, and data saturation. The authors argued that the type of saturation should be congruent with the type of qualitative research. Thus, for the purpose of this research, inductive thematic saturation was used because this research entailed the development of themes using data obtained from individuals in order to make generalisations at a community level. In such instances, inductive thematic saturation is deemed appropriate (Saunders et al., 2018). This type of saturation (inductive thematic saturation) denotes a situation where further analysis of data does not result in the emergence of new codes or themes (code groups). This saturation state was tested throughout the coding and data analysis process during which the researcher kept records of the number of new codes emerging from data after analysing a set of three interview scripts. The outcomes of this process is presented in Figure 5. The figure shows a plateauing of the number of codes at a given point after additional sets of three scripts were coded. The plateau started after 10 sets of interview scripts (each set with three scripts) were coded.

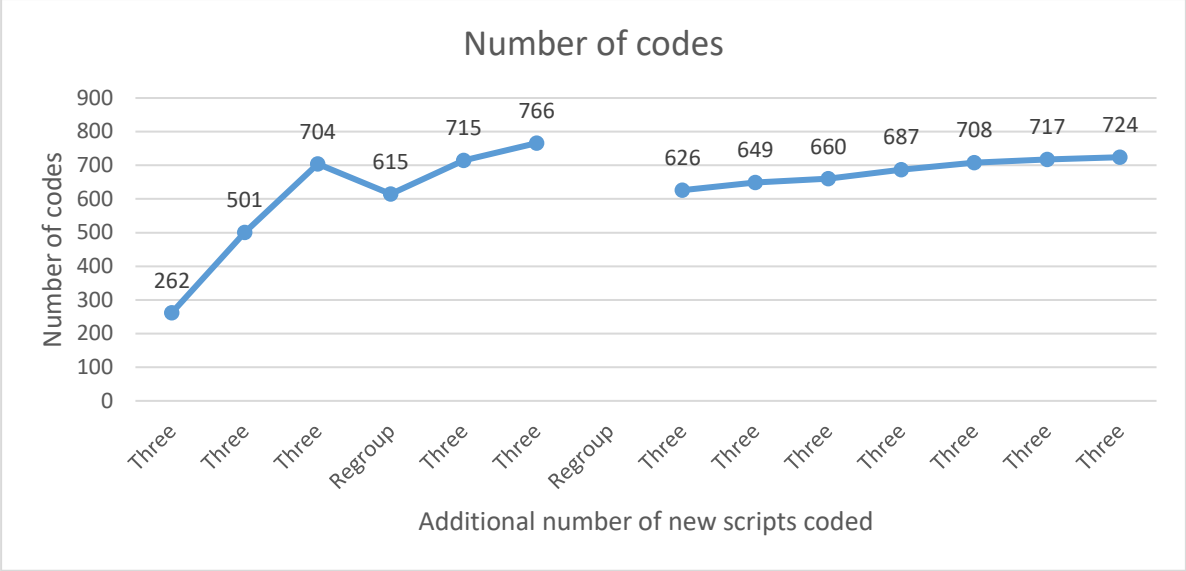

Figure 5: Test of inductive thematic saturation

It should be noted that during thesis write up, codes were further refined. So, in the final analysis phase, the final number of codes was reduced from 724 (recorded after the last transcript) to 649.

4.5.5. Code groups (categories) and themes

In the final cycle of iterative coding and grouping, explained in section 4.5.3 above, a total of 649 codes and 47 code groups were generated. Not all 47 code groups were useful for the results. For example, a code group called “Community Unemployment Forums” was never useful for the study. Only code groups that were relevant to interview questions, research questions or to theory were used.

For the creation of themes, code groups that had similar characteristics, presented a related explanation or an emerging logic/idea were further grouped manually into themes (Marshall, 1996; Taylor-Powell & Renner, 2003) using logic models. Literature presents various techniques for data analysis leading to the generation of themes (such as pattern matching, explanation building, time series analysis and logic models) (Yin, 2014). This research found that logic models were most appropriate for this study. Logic models are appropriate for establishing the interdependencies and interrelationships that are not linear as they are influenced by context and individual beliefs culture, as is the case in this research (Yin, 2014). This made them suitable because this study sought to depict the reasons or logic behind participants’ perceptions as well as interdependencies in context. Although traditionally used in programme cases, Yin (2014) concurs that logic models are recommended in community development cases.

4.6. Data reporting

Data are reported in Chapter 5 (Research findings) in the form of thematic analysis in relation to categories of interview questions. In developing category descriptions, the researcher was looking for meaning, interpretations, emphatic phrases, circumstances and emotions from raw data that could be associated with a category (Pontoretto, 2006). Also, the researcher ensured that the interpretations were specific to context and not generalised across contexts (Lauckner et al., 2012).

Finally, data are reported in the form of a cross-case analysis (Chapter 6) depicting how each case presents itself under each theme and how the three cases compare and contrast (Creswell et al., 2007). This is followed by a comparison of how the outcomes of cross-case analysis compare to literature.

4.7. Data quality

While quantitative research is concerned with validity and reliability of results, qualitative research is concerned with trustworthiness (Sinkovics et al., 2008). To ensure that the results of qualitative research are trustworthy, researchers must ensure that the results are credible and dependable. Credibility means the extent to which the results are representative of reality (Shenton, 2004; Sinkovics et al., 2008), and dependability means the extent to which other researchers can repeat the study and come up with similar results (Shenton, 2004). These and other measures of data quality are discussed in the paragraphs that follow:

4.7.1. Credibility

Various strategies that can be used by qualitative researchers to improve credibility of the results are provided in literature (Gephart Jr, 2004; Lauckner et al., 2012; Shenton, 2004; Sinkovics et al., 2008). The following were applied to this study:

Triangulation: One of the opportunities provided by case study research is the ability to use multiple sources of information (Yin, 2014). These information sources do not only serve as data instruments but also serve to triangulate information obtained from other sources (Johnston et al., 1999; Lauckner et al., 2012). In this research, sustainability reports and annual reports from CSR implementing companies, community media reports, literature, and other publications were used for the purpose of triangulation.

Adopting well-established research methods: For the results to be credible and trusted, the researcher must consider using well-established research methods (Gephart Jr, 2004; Shenton, 2004). This study collected data through interviews and document analysis, which

are well-established methods in case study research. The use of these approaches in community studies has been well documented (Eisenhardt & Graebner, 2018; Lauckner, et al., 2012; Yin, 1994, 2014) and applied in community contexts (Campbell & Ahrens, 1998; Lauckner et al., 2012; Utting, 2009; Yalegama et al., 2016).

Ensuring open and honest participation: The researcher ensured that only participants that consented, and were open and willing to participate in the study were part of the research. For one-on-one contact interviews, consent forms signed by participants have been documented. For telephonic interviews, recordings and transcripts demonstrating participant consent have also been documented. All these are available on request to ensure credibility of the research (Shenton, 2004; Sinkovics et al., 2008).

Frequent debriefing sessions: The researcher had regular debriefing sessions with her supervisors during which the process followed during the case study, preliminary findings and field experiences were discussed. The purpose of these sessions was to improve the approach to field data collection (Shenton, 2004) and to get a different perspective from third parties, all of which assisted in improving subsequent rounds of interviews.

4.7.2. Dependability

The researcher ensured that the research is dependable or replicable by reporting in this thesis all aspects of the research design and kept records of changes implemented by the researcher during the research (Wahyuni, 2012). For example, Appendix 2 highlights, in blue, new questions added to the original interview protocol as the research continued. Also, interview recordings, transcripts (original and translated), memos and field notes were submitted to the University of Pretoria and are available for review (Sinkovics et al., 2008).

Furthermore, during data analysis, the researcher was aiming to ensure that the codes were as close as possible to data by using key words used by participants in the code phrase (Liamputtong, 2009). This provides confidence that should anyone repeat the data analysis exercise using the same data, they may arrive at similar categories, which is good for dependability. Finally, in Chapter 5, the results are presented at category level (Atlas.ti code groups), which is important for illustrating how this research was derived and evolved from empirical data to categories to themes (Johnson, 2014).

4.7.3. Usability of data

Qualitative data is usable when it enables the researcher to derive rich in-depth meaning in relation to concepts under study. This can be achieved by ensuring that the first case to be

studied is fully analysed before collecting data for the second case (Gordon et al., 2013; Lauckner et al., 2012). In this manner, the learnings from the analysis can be used in the subsequent case study and where necessary the case study protocol and/or interview scripts can be amended (Gordon et al., 2013; Lauckner et al., 2012). Another way of improving the quality and depth of information being collected is by undertaking a pilot case study (Yin, 2014).

For this research, the usability of data was tested with one informant using the interview protocol/instrument (Appendix 2. The purpose of the test was to evaluate the interview process in terms of timing, the researcher's interview etiquette, probing mechanics and identifying areas of improvement. Secondly, the researcher ensured that the first interview was analysed before collecting data for the second interview (Gordon et al., 2013; Lauckner et al., 2012). This, together with the outcomes of debrief sessions with her supervisors, allowed the researcher to improve the interview protocol by adding a few more questions, which indeed improved the usability of data.

4.8. Ethical considerations

The researcher maintained good ethical conduct throughout the research by adhering to the following ethical considerations:

Informed consent: No participant was forced or coerced into participating in the study. For contact interviews, consent forms were signed by participants and submitted as part of data submission. (The template for the consent form is attached in Appendix 3.) For telephonic interviews, the consent form was read out to the interviewees before the interview and consent was given verbally. The interview transcripts contained in the data submission indicate the sections relating to interviewee consent as highlighted in blue.

Potential harm to the relationship: This research had a potential to harm the relationships between the community members and the value offering firm as a result of certain disclosures that are deemed to portray the firm negatively. However, to mitigate this, the respective participants' and firms' identities are not disclosed and pseudonyms are used throughout this report.

Potential harm through raised expectations: The researcher believes that she conducted herself in a manner that did not implicitly or explicitly create expectations on the part of the participants. This was important considering that some of the community members may be underprivileged and may have specific expectations.

Emotional harm: This research explored projects that deal with individuals' livelihoods. In some cases, such issues may raise strong opinions and emotions in both the participants and the

researcher (Dickson-Swift et al., 2009), and participants can even take offence. The researcher tried as much as possible to put herself in the participants' shoes and ensured adequate levels of empathy to interviewees' opinions. Also, the researcher emphasised, as part of the consent form read-out, that participants were allowed to pull out of the interview at any time. Fortunately, there was no interview session that resulted in any emotional breakdown by any participant.

Anonymity: Throughout this report and associated documents, the names of participants, community forums, organisations and places were anonymised in order to protect their identity. This was done by using pseudonyms in place of such names.

Ethical considerations for documentary data: All documentary data used for this research were unclassified reports obtained from public domains. Confidentiality clauses in documents were observed and complied with.

Chapter 5 : Research findings

This chapter presents findings from one-on-one interviews and documentary data analysis for each of the three cases, namely, Community A, Community B and Community C. Being case study research, this chapter starts with a case description (location, socioeconomic and political aspects of the community concerned), followed by within-case findings. All names of places (municipalities, regions and provinces), companies, community forums and individuals are pseudonyms.

Findings are presented at category level (Atlas.ti code groups) and not at thematic level in order to provide first an iteration of how empirical data was conceptualised into categories prior to the development of themes (Johnson, 2014; Saldana, 2013). The categories (Atlas.ti code groups) presented here were developed in Atlas.ti by aggregating codes with similar characteristics based on the researcher's in-depth understanding and interpretation of data (see Table 3). Thus, these categories are closer to data than the subsequent themes in Chapter 6.

It should be noted that although there were 43 transcript-derived code groups, some of these code groups were irrelevant for the research questions and for theory, and are therefore not reported in this chapter (Johnson, 2014). Consequently, only relevant categories are presented in Table 3.

For the purpose of enabling the reader to follow up on these categories and to enable subsequent cross-case analysis, the categories/code groups are presented in this chapter using a report subsection outline presented in Table 3 below. Unlike with the subsequent themes (Chapter 6) which are guided by theory research questions, the grouping of code groups for the purpose of reporting was guided by interview questions.

Table 3: Description of Atlas.ti code groups, leading to specific report sections

Interview question	Atlas code groups (& sub-groups)	Description	Report Section outline
General questions about community and challenges	• Context_Local context • Context_Organisational • Context_Community challenges & needs	These code groups explained community conditions and challenges in the context of the organisation(s) that operate in the area.	Case description
Questions about how programmes are implemented	• Context_Project examples	Examples of CSI projects implemented in the community are provided.	Case description

Interview question	Atlas code groups (& sub-groups)	Description	Report Section outline
Questions about how programmes are implemented	• Approach_Multistakeholder approach • Approach_Ad hoc requests • Approach_intra-community structures • Approach_unknown/known by few	Participants explained various ways in which CSI programmes get implemented in their community.	Approaches to CSI programme implementation
Questions about why firms should implement CSI	• CSI rationale o Moral reasons o Economic reasons o Pollution & environment o Loss of land o Justice reasons (economic and moral) • Context National	Participants expressed reasons why they believe companies should engage in CSI. National context is also presented as one of the overarching reasons.	Participants' expressions of CSI rationale
Questions about outcomes	• Value created_ Positive outcomes o Positive outcomes o Pre-post comparisons o Prior challenges	Participants explained how programmes benefitted them by mentioning positive outcomes, comparing the situation before and after CSI programme or mentioning prior challenges.	Community appraisal of CSI-programme level
Questions about outcomes	• Value created_ negatives o Failed projects o Persistent challenges o Shortfalls of existing programmes	Participants explained a number of CSI projects that have failed, and/or some challenges that persist even after the project, and shortfalls.	Community appraisal of CSI-programme level
Questions about overall satisfaction Questions about work done by companies	• Sentiments Corporate_ Is doing a lot • Sentiments Corporate_ more can be done	Participants gave their overall judgement on whether or not the company operating in their area is doing enough in terms of CSI.	Community appraisal of CSI-company level
	• Corporate care_ Negative • Corporate care_ Positive	Participants expressed their opinion of whether they think companies care about the community or not. Negative: Participants said that firms don't care for the community. Positive: Participants are of the view that companies are doing a lot, they care for the community.	Community appraisal of CSI-company level
Questions about reasons (dis)satisfaction	• Contrast_Geographical • Contrast_Geographical_race	Participants compared what company x is doing in their area versus other areas. Some added that this geographic contrast is influenced by the location of different racial groups.	Community reasons for satisfaction/dissatisfaction with CSI
Questions about reasons (dis)satisfaction	• Contrast_historical_pre/post-1994	Participants compared company x's social investments in their area in recent years versus what the same company was investing during apartheid times.	Community reasons for satisfaction/dissatisfaction with CSI
Questions about reasons (dis)satisfaction None None	• PI Environmental concerns_pollution & contamination	Participants provided reasons for dissatisfaction as being pollution and environmental contamination caused by firms. Others did not state this as a reason for dissatisfaction but laid out environmental challenges as their deep concern.	Community reasons for satisfaction/dissatisfaction with CSI
	• Offsets_pollution_unjustified	Participants provided the counterargument for pollution concerns raised by the community.	Community reasons for satisfaction/dis

Interview question	Atlas code groups (& sub-groups)	Description	Report Section outline
			satisfaction with CSI
	PI_Losses incurred & trade-offs	Participants explained the losses they incurred as a result of firms operating in their communities. Some indicated that they are dissatisfied with CSI interventions because of these losses.	Community reasons for satisfaction/dissatisfaction with CSI
	PI_Percieved roles of govt vs corporate	Participants explained that one of the reasons people are not satisfied is because they expect business to do what the government is supposed to do.	Community reasons for satisfaction/dissatisfaction with CSI
	PPI: Unfulfilled social agreements - In accordance with social contracts - In accordance with general promises	Participants provided reasons for dissatisfaction with some projects as unfulfilled or partially fulfilled promises by firms. Others did not state this as a reason for dissatisfaction but laid out unfulfilled promises as their deep concern.	Community reasons for satisfaction/dissatisfaction with CSI
	• PPI_ Perceived community-firm relations	Participants explain strained community-firm relations.	Community reasons for satisfaction/dissatisfaction with CSI
Questions about Antecedents	• SF_Challenges to CSI implementation ○ BenChal… ○ ContrChal… ○ LeadChal… ○ LGChal… • SF_Challenges to CSI implementation_ community consultation • SF_Challenges to CSI implementation_ corruption	Participants expressed various contextual elements that CSI implementation is faced with. These included: • Beneficiary challenges • Contractor challenges • Leadership challenges • Local government challenges • Community consultation challenges • Corruption challenges	Challenges to successful CSI
	• SF_Important considerations… ○ BenImportant ○ ContrImportant ○ LGImportant ○ LeadImportant ○ ConsImpornant • SF_Important consideration_ Project sustenance • SF_Important consideration_understanding community needs	Participants identified elements that they consider important for successful CSI implementation. These are the following: • Beneficiaries • Contractors • Local government • Community leadership • Consultation • Project sustenance • Community needs	Suggestions for improved CSI regime and programme implementation
	• Proposed interventions for CSI implementation. ○ BenProp ○ ConsProp	Participants proposed the various mechanisms to enhance the quality of CSI. These were primarily suggestions/proposals in relation to beneficiaries and consultation processes.	Participants proposed interventions that can be put in place to improve CSI in their communities

For every section of this chapter, a description of findings from each case is presented and supported by raw data from interviews and archival data. Raw field data pertaining to a section

was reassembled to derive key ideas and rich text (collected from the field) that falls under a category (Marshall, 1996; Taylor-Powell & Renner, 2003). This process is a reverse of the coding. That is, while coding involves moving from data to codes and categories, this step involves moving from themes back to data.

The research maintained similar category names for those categories that are applicable to more than one case to ensure easy comparability and consistency. In instances where data were not available for a given category, yet such data was deemed significant, an explanation is provided.

5.1. Within-case Analysis: Community A, Region AA

5.1.1. Case description

Region AA is one of the industrial towns in South Africa that is located in Loma Local Municipality in Central Province. The town was established to provide housing and other facilities for employees of Liquipetro which is a petrochemical company.

Political history: Region AA has a rich political history**.** In the 90s, the Liquipetro plant was set on fire, allegedly by the African National Congress (ANC), which was then an illegal nationalist, anti-apartheid movement. In 1987 (October 1st), there was a major labour dispute at the Liguipetro plant, which led to management calling on police and vigilantes to intervene. The riotous disputes led to 77 workers (mainly residents of Community A) being killed and 2 400 jobs lost without compensation (Faull, 2010). Those who lost their jobs took the company to court and the court ruled in the employees' favour. Nonetheless, at least by 2010, those ex-workers are yet to receive compensation (Faull, 2010). These historical issues had implications for community perceptions, as explained in the relevant sections.

More recently, in January 2013, residents of Community A township rioted in response to the current government's demarcation proposal to merge Region AA, which is currently located in Loma local municipality, with a neighbouring municipality. Government's reasoning behind the merger is unknown but residents believed that the merger would result in poorer service delivery and increased corruption (SAPA, 2013). Police were unable to stop the violence, which involved assault, vandalism, and plundering. Residents also believed that the reason for the proposed merger was intended to empower specific individuals in local government. These government and corruption matters affected community's perception about the success of CSI initiatives, as presented in the relevant section of this case analysis.

Visual set-up: Approaching Region AA, one can see tall air emission stacks from the Liquipetro plant. At the foot of the Liquipetro plant is the Community A township. (Picture available but not provided for anonymity reasons).

Socioeconomic conditions: The unemployment rate in Loma local municipality region was 32%, based on the 2011 Census (StatsSA, 2021b). No socioeconomic statistics were reported specifically for Community A, but from data collected for this research, it is clear that Community A faces a number of social, economic and developmental challenges. Such challenges were depicted during the interviews, where participants raised the following:

- A growing number of child-headed homes;
- Youth that cannot access further education post-grade 12;
- Persistent poverty;
- Alcohol and drug abuse;
- Crime and lawlessness, mainly in the form of vandalism;
- Poor infrastructure development, associated with local government inefficiencies and corruption; and
- Loss of township economic activity due to competition with foreign nationals.

Study participants: In Community A, 15 participants were interviewed. All participants were above the age of 30, as shown in Appendix 4. Participants had a variety of occupations, as follows:

- Senior workers at the clinic = 2
- General worker at a clinic = 1
- Residents (general) = 3
- Beneficiaries of skills development = 2
- Beneficiaries of entrepreneur development support = 1
- Former local government official = 1
- Former CSI official = 2
- Community activists/leader = 3

Most of the participants provided their responses in relation to CSI projects implemented by Liquipetro in their community, with only a few mentions of projects implemented by other companies such as PlatiOre. This was because Liquipetro was the single most involved firm in terms of CSI in the township. It was also the largest firm in the area.

5.1.2. Community understanding of approaches to CSI programme implementation

Participants were asked to share their understanding of how CSI project(s) executed by Liquipetro came to be implemented in their area. In response to this question, participants expressed two different ways in which they understood CSI projects were initiated. Firstly, there were those who understood that CSI projects came into implementation because there are certain individuals in the community that have the know-how to approach companies and solicit project funding, following which they are able to get funding (reactive process). Then there were those who indicated that there are specific structures/forums through which CSI programmes are discussed and evaluated before being funded (proactive process). The two different approaches as expressed by participants are explained in subsections a) and b) below.

a) CSI implementation as a reactive ad hoc approach

Some participants understood Liquipetro's approach to CSI implementation as a reactive ad hoc process. According to them, any member or a group from the community can develop a project concept and approach Liquipetro with their concept to get funding. The firm will donate the money if the concept is compelling. They indicated that Liquipetro will fund any person who comes with a good concept.

> *Yeah. I mean it's just that…[incomplete thought], it's about the process, [pause] going to Liquipetro and then they [specific community members] just know the procedures to actually follow to get the support from corporate. The results might turn sweeter. Anyone, it can be me, it can be him. It can be a group of few people. The most important thing is to know the right processes [channels], it does not matter which.* (Motli, resident youth)

One of the senior workers in the clinic also confirmed that she approached Liquipetro requesting funding to upgrade the clinic and her request was granted. She explained that the renovations to the clinic that Liquipetro funded happened because she went to Liquipetro and asked funding.

> *Yes. It happened because I went to them and asked for extension. "Can you please do this thing for us?" [She asked]. Because me being from the Province Y [anonymised], I know that even the mines plough back to the community.* (Sleti, worker at local clinic)

Tsela, who works for an organisation that earlier received funding from Liquipetro clarified this "ad-hoc funding" in more detail. He noted that Liquipetro does not simply give funding to anyone, but rather does a thorough due diligence of each project funding proposal. This means that while anyone can submit a proposal, each proposal will be thoroughly evaluated and be granted on merit.

> *Normally, organisations go and ask Liquipetro for help. Liquipetro will not just offer help or funding to anybody. Their understanding is that Charlie or Elizabeth would come representing a particular organisation and they [Liquipetro] will give themselves time to come and investigate the needs of that organisation and then check their budget, then fund those needs.* (Tsela, worker at a disability centre)

b) CSI implementation as a proactive and coordinated multistakeholder and multisector process

Other participants indicated that the process that Liquipetro uses to implement CSI projects is not always ad hoc. They noted that Liquipetro has, in partnership with the local municipality, established a CSI implementation structure or forum called the Lebone (a SeSotho name for light) Forum. Lebone was established as a multistakeholder forum that coordinates all matters related to CSI in Community A. The forum consisted of Liquipetro as the main funder, the local municipality and civil organisations.

The Lebone Forum process is anchored on sector teams and sector champions. There are various sector teams: teams dealing with the environment, teams dealing with education, security, and other domains in the community. The role of each team is to understand and bring forth community needs in the specific sector, which are then presented for funding. Each sector team has its champion. According to Matsi, the process leading to the implementation of the CSI initiative involves the forum identifying, through the various sector champions, challenges in the community and presenting such challenges with a proposal to the forum for approval. He said that:

> *For security sector for example, we will identify challenges in relation to security. Then they [the sector champions] will say, we need our police station to be renovated, or we need something to be bought for the police station. Then … Lebone will check whether it's the criteria [the request meets criteria] or it's one of the priorities. And it will then be sent to the steering committee for approval. The steering committee will approve that. Same applies whether it is a swimming pool, whether it is whatever.* (Matsi, former member of Lebone Forum)

Matsi's description of Lebone was corroborated by the committee's monthly report which showed work done on the different sectors of the community and pictures to support the claims.

While the Lebone Forum presented a more structured and coordinated approach to CSI implementation, one participant expressed lack of trust in the process. He alleged that the Lebone Trust (which is managed by Lebone Forum) is a mechanism for siphoning funds between one of Liquipetro managers and their peers. He maintained that:

> *That particular structure that is channelling what is called CSI in the community is very sectoral and racist. It is run by a racist white guy called Marius [pseudonym]… who has monopolised the…[incomplete thought]. Who [Marius] has monopolised the trust and local guys. Their representation in that particular structure is subjected to drinking coffee and biscuits, not really taking the real stock of what is happening [in the community]. Marius is the former employee of Liquipetro and Liquipetro Manager was his best friend. So they were able to siphon all the funds, the CIS funds into the trust and that's how they benefitted. (*Khusani, community activist)

While Khusani's statements in relation to the Lebone Trust were not corroborated by any of the study participants, they are representative of the many instances where community members demonstrate lack of trust in firms' CSI processes (see section 5.1.7(d) for examples).

5.1.3. Participants' expressions of reasons for CSI

Participants were asked why they believe that local firms should engage in CSI. In response to this, some mentioned that CSI is a legal requirement in South Africa, while others mentioned economic, moral, justice and offsets reasons, described below. In most instances participants provided these reasons without the researcher explicitly asking the question. The same reasons provided to justify CSI were also given as reasons for dissatisfaction in some instances (see also section 5.1.6).

a) Economic reasons

Some participants indicated that corporations undertake CSI initiatives because they want to maintain a good image which could have positive economic spinoffs. They said that Liquipetro should invest in the community in order to avoid social unrest which can have economic consequences on the firm.

> *Liquipetro should, out of its Corporate Social Investment [paused], should be investing in such things [referring to skills development]. It is not a moral imperative, but I think*

it is also economic imperatives because Liquipetro itself will also gain, you see. (Adla, former Community A resident, activist, advocate)

He continued:

Where there is too much poverty and inequality and unemployment, the grounds are fertile or conducive for social unrest. You must be aware of that [paused] one thing that has made us as South Africa to have a lot of social unrest is poverty. (Adla, former Community A resident, activist, advocate)

Zakes corroborated this by saying that CSI is required in order for firms to stay in business because if companies do not take care of the interest of the communities, communities will protest and vandalise property, which in turn will increase the risk of doing business. He elaborated as follows:

Because they [people] will come and toyi-toyi [protest] and burn your trucks, okay. It happens every day, okay. Now that's risk to business, all because they perceive you [as an organisation] as not being one of them or not helping them in their struggles. (Zakes, former resident, former Liquipetro employee)

b) Moral reasons (or not)

Most participants in Community A indicated that they do believe that companies should be involved in CSI simply because it is a good thing to do (moral reason). However, one participant indicated that it is not the responsibility of firms to engage in socioeconomic development.

Well, Liquipetro is not our government. It is just a [pause] it's a business sector. It wouldn't actually pay more attention to socioeconomic development. So, I cannot blame them anyhow because it is not their responsibility. Their focus is to make profit. Our politicians have to take the responsibility. (Motli, resident youth)

c) Justice reasons - economic

Participants indicated that the reason Liquipetro (and South African firms in general) should be engaged in CSI is because they contributed to economic injustice alongside the apartheid government. The participants pointed out that when trying to make sense of CSI and value creation in South Africa, consideration must be given to the historical context of the country. One participant said that because firms in South Africa cooperated and collaborated with the apartheid government to exploit black people, they are responsible for the poverty and squalor in the township and therefore it is their duty to create value for these communities.

For me, it's so immoral that having been part of a discriminatory, exploitative system which brought about [pause], how can I put it, err [pause] the squalor that you see in the townships. They are part and parcel of the poverty that is in the townships that we have in our black majority or in our community. Hence, I was saying to you that they must feel even more compelled. Hence I was saying it beholds on them to stand up and say what is it that we can do to uplift the community. And for me it then beholds corporate worlds such as Liquipetro to play a part in redressing those inequalities of the past. Because remember there was collaboration, you must not forget that there was collaboration between corporate and the apartheid government. (Adla, former Community A resident, activist, advocate)

d) Justice reasons - social

In addition to firms being expected to invest in the community to address past economic injustices, participants also argued that CSI should also be seen as a means of social cohesion. In particular, Zakes indicated that the release of Nelson Mandela from prison came with the notion of a united nation where people had to work together for the good of the country. As such, companies should use CSI as a way of reinforcing that sense of unity and a means to redress past injustices to black South Africans.

There's two things. Okay let's be political, let's answer it differently now [pause], and say in 1994, good old Nelson Mandela was chanting the rainbow nation, remember? People working together for the good of everyone, okay. Just based on that concept, that's why all business should do CSI. It will be the glue, okay, that can keep us together. (Zakes, former resident, former Liquipetro employee)

e) Pollution and environment

Others indicated that the reason Liquipetro should implement CSI initiatives is because Liquipetro is responsible for pollution in the area. They attested to pollution as a rationale for firms to engage in CSI, saying that Liquipetro must give back to the community in terms of food, skills, and other interventions because it is responsible for pollution and associated health impacts.

You know I always say to people when we approach Liquipetro, we have to approach them on two legs. Number one is legislation, that they have to do corporate social investment; but number two is because … Liquipetro is polluting, so they are…[incomplete thought]. Even if there was no legislation, Liquipetro in obligated to ensure that there are projects [CSI projects]. (Thota, community activist)

It's Liquipetro. It's firms and their products that make people have TB. If they could try to ensure that those people get even if its food or something because someone has to take TB tablets. (Ntate, resident elder)

5.1.4. Community appraisals of CSI at programme level

Participants were asked about their satisfaction with the outcomes of specific programmes implemented by firms. In Community A, participants expressed their satisfaction and dissatisfaction with different CSI programmes that have been implemented by Liquipetro by giving them a rating showing their satisfaction with the project.

That notwithstanding, it was not the purpose of this research to depict the various satisfaction ratings, rather to distil how participants construct and express their satisfaction or dissatisfaction qualitatively. In this regard, they made both positive and negative value assessments of project outcomes and project impacts. Positive judgements were associated with participants making a comparison of situations before and after the programme (pre-post comparisons), expressing prior challenges or social ills they suffered before the project and/or good things they are experiencing after the project; while in some cases they made absolute performance judgements.

In terms of positive appraisals (satisfaction), Sleti explained that the upgrades implemented by Liquipetro in one of the clinics enables the clinic to meet ideal clinic criteria as set out in the national legislation. The size of the clinic is important because it enables the clinic to run certain health programmes that they could not run before, such as child health and maternal health programmes (positive outcomes - pre-post comparisons).

In another clinic (GG clinic), the operating space was small and because of its size, certain services could not be offered. One of the employees at the clinic explained the outcomes of the project as availability of medication and GP services (positive outcomes - pre-post comparisons).

It made life easy for the people. It [the clinic] is no longer in level one, it's level two. People no longer have to go to Ratanang clinic [Pseudonym] for treatment. They now get their treatment closer. Level two has tablets that they couldn't get here before. The clinic was small; now it is big and so there were no doctors but now there are doctors. (Gpapa, employee at local clinic 3)

It was not only clinic personnel that expressed satisfaction with clinic upgrades. Community members that were not employees in these clinics also acknowledged the improvements and

expressed satisfaction with the changes after project implementation. In particular, Ntate mentioned that the renovations have alleviated long queues and frustrating service.

In addition to upgrading clinics, Liquipetro has done a lot of work in the community in the education sector for which the community has expressed satisfaction with the outcomes. One of the community members indicated how one of Liquipetro's programmes is assisting in impacting the maths and science knowledge of the learners, thereby improving their academic performance.

Also, Matsi talked about the Liquipetro-funded centre for the disabled, and explained how the centre has not only provided disabled children with food and space to play, rather it has impacted their lives by addressing some of the social challenges they were facing previously. He indicated that most disabled children come from poor families who used to keep them hidden (away from social interactions) and that the grant money received by their families is sometimes used to serve the entire family. But the centre has changed that situation by giving them space to interact, thereby improving their quality of life.

In terms of negative appraisals (dissatisfaction), participants expressed their dissatisfaction by highlighting shortfalls of existing programmes or challenges that remain persistent even after programme implementation. For example, they noted that despite clinic upgrades, there is still a shortage of staff, which is fundamental to the running of the clinic and remains unresolved. Also, with regard to bursaries issued by Liquipetro, they are able to assist students in specific qualifications (such as engineering); however, others feel left out.

Some of the persistent challenges were presented as the lack of impact associated with the projects. That is, although a project has brought the desired outcomes, there has been no impact on people's lives. For example, Boni challenged Liquipetro's skills development programme by saying that Liquipetro provides youth with a three to six months' skills development programme, the outcome of which is a certificate and skills. He expressed dissatisfaction with the fact that such outcomes do not translate into consequential positive impacts, as the majority of those who participated in the programme remain unemployable.

> *They [skills development beneficiaries] were doing some three months, six months in various courses, but when you finally get that certificate, you don't get employed. Even at Liquipetro doesn't recognise it [the certificate] for employment. So maybe it was just an issue of giving Sedibeng [training college] money or share the money or whatever, but there is nothing about that certificate.* (Boni, Resident youth)

5.1.5. Community appraisals of CSI - company level

In some instances, participants appraised not only the programme but also the overall contribution of the company to the community. Oftentimes, this form of appraisal came out either in the introductory part of the interview, where the researcher was asking participants to provide an overview of the work done by companies in the community, or when asked about their overall satisfaction. In this regard, participants made positive or negative statements saying either (i) a lot has been done by firms or that (ii) more needs to be done. For example, on the positive side, there were those who expressed their satisfaction by saying that Liquipetro has done a lot for the community.

> *There has been lots of programmes that Liquipetro has made in Community A… There is also a multipurpose centre in Larryana (section of community A). That was a multimillion project… They range from… whether it is renovation of police stations, whether it's stadiums, whether it is, so many of them. I mean I will not be doing justice for the purpose of your research to just name them.* (Matsi, former member of Lebone Forum)

This was supported by Tsela who said that:

> *Liquipetro has a very intense social responsibility programme. They fund the NGOs [non-governmental organisations], they fund the creches, they donate to the schools.* (Tsela, employee at centre for disabled)

Various other participants supported each other saying that Liquipetro has done a lot of satisfactory work to support schools and education in the community. Meanwhile, Liquipetro's sustainability report highlighted that in 2018, Liquipetro's spending on socioeconomic development was approximated at two billion Rands (over 1% of the company's net profit), which exceeds the expectations set out in the BEE Codes of Good practice published by the Minster of Trade and Industry (section 3.2). The money is spent on social responsibility activities that contribute to better education, skills development, the environment, community development, and employee volunteerism.

Notwithstanding the above, negative company level judgements were observed in this research where participants expressed dissatisfaction with company-level CSI performance. Adla was asked how he rates CSI work done by Liquipetro in Community A on a scale of 1-10; he said that he would rate Liquipetro at 1 and 2 because there is not much the company has done.

> *I will place them between 1 and 2 for Community A. There is not that much that they have done. Because, let's face it, there is a lot of … black people who get highly short-changed by everything around them, from getting a job to the way black people live, and yet you've got super rich cooperates here who do lip service to cooperate social investment.* (Adla, former Community A resident, activist, advocate)

This dissatisfaction was corroborated by other participants who suggested that Liquipetro is not doing its fair share for the community. Despite having done a lot of work, these participants felt that what Liquipetro has done is but a drop in the ocean.

> *We have been with fighting with Liquipetro for many years for Liquipetro to play its share in the community and in all these years to us, it is just the drop in the ocean what Liquipetro has done. They haven't scratched the surface, to be honest with you.* (Khusani, community activist)

> *I know Liquipetro [Liquipetro personnel]. They are nice when you talk to them. I think they have hired the most err convincing people when it comes to PR exercise [public relations], but PR and the real situation are two different things.* (Thota, community activist)

It should be noted that, in some instances, participants expressed overall satisfaction with Liquipetro's contributions but still believed that more could be done.

> *Yes, they must stretch the help that they are giving to us. So, right now they are trying, but they must do more. That is why I say it's a scratch on the surface.* (Tsela, employee at a centre for disabled)

5.1.6. Community reasons for satisfaction/dissatisfaction with CSI

As participants were expressing their satisfaction or dissatisfaction, they provided reasons for their judgements, mainly in relation to company level performance rather than project level performance. These reasons, which are presented below, were either explicit or implicit in their speech. Implicit reasons were detected by the researcher when a participant made reference to a particular situation that they were happy or unhappy with in support of their judgement (satisfaction or dissatisfaction) even though the participant did not explicitly mention that as a reason. In Community A, participants mentioned (implicitly and explicitly) the following reasons:

- Geographic contrast in CSI contributions
- Temporal contrast in CSI contributions

- Community-firm relations
- Perceived role of local government vs corporate
- Perceived corporate wherewithal
- Perceived level of care

a) Geographic contrast in CSI contribution

Community A participants expressed dissatisfaction with Liquipetro's company level performance by making reference to how Liquipetro contribution's compare between their community and another community in a different geographic location. Participants compared contributions by Liquipetro in Community A's township versus contributions made by Liquipetro in Community Z's township (Eastern Province). They projected perceptions that Liquipetro is making more CSI contributions in Community Z townships than in Community A and this is why they believe Liquipetro can and should do more.

> *And another thing that I did not mention, although I have not done that comparative study, in Community Z they have Liquipetro [subsidiary plant] and I think their social responsibility is stronger than here. And I think it is due to the fact that they have strong leadership [community leadership] and they [community leaders] are able to develop programmes that are good and are able to get Liquipetro to respond positively. They [word of mouth] said it [Liquipetro] did extraordinary things. Much better things than what they have done here.* (Tsela, employee at centre for disabled)

Meanwhile, Matsi expressed satisfaction and indicated that he rated Liquipetro's contributions 8/10 because even though as a community they are hoping for more to be done, Liquipetro has done comparatively well on CSI. He felt that because of Liquipetro's CSI contributions, Community A remains better off than neighbouring communities in the region.

> *To be honest, there was support [from Liquipetro]; although we had our own reservation about other things, I also had my own reservation about other things. But for me it was a positive move. It never happened across the river, it never happened in Etwatwa [a different local municipality] where their industries are supporting them [communities] and all those things… in other towns. That is why I gave them 8 [8/10 rating].* (Matsi former member of Lebone Forum)

- *Geography and racial dimension*

Alongside these geographic contrasts, some participants expressed dissatisfaction by comparing what Liquipetro has contributed to different racial groups within its locality. In

particular, participants explained that Liquipetro is making not only numerous, but also better-quality contributions in suburban areas (white-dominant areas) than in Community A (black area). They compared the quality and fund sizes for projects implemented for different racial groups.

In particular, Matsi claimed that the quality of swimming pools, stadiums and theatres built in Region AA suburbs are of better quality than those in Community A. He opined:

> *I mean, this is where, if we are going to discuss about projects which were implemented, especially which were funded by industries, you will have a clear picture when you compare [Community S] suburb area and Community A. When you compare HY swimming pool in town [suburbs] and also the swimming pool in Community A which I think it is still dilapidated. When you compare MT stadium in Community A and also comparing it with DA in Community S. Another thing, when you compare theatre in town and also other community centres in Community A, you will see the difference. But also, this is where you say, despite the fact that there were lot of investment in the project by the industries, but one of the challenges is that most of the focus was mainly in town [Community S] than in Community A. We can make that clear distinction.* (Matsi, former member of Lebone Forum).

Adla and Thota also supported the perception that Liquipetro is making more contributions in Community S than Community A. However, unlike Matsi, their comparison was based on the size of the pie rather than the quality of CSI projects. They said that if one generally compares the size of investments made to Community S, they are much higher than what they are investing in Community A. They claimed that millions of investments are made to NGOs in Community S, while minimal contributions are made to Community A's local NGOs.

> *Liquipetro is investing millions and millions [in Community S]. They have an organisation called Community S [paused] Gemeenskap err Community S church organisation. I don't remember the Afrikaans name, but it's Community S church organisation. Yeah, community church. It's a white-led Liquipetro thing; just go and ask them how is Liquipetro funding them and come and check all the NGOs around here. We got Loma Stakeholder Forums, we got unemployment Forum, we got the lot, lots and lots of forums. Every time they [community forums] go to Liquipetro, Liquipetro plays dumb.* (Thota, community activist)

He continued

So personally I would say Liquipetro has done just little, they have more to do than what they have done. (Thota, community activist)

In support of the above, Adla said:

We went to meet with Liquipetro at the head office and we discussed and made them aware that there isn't really much that Liquipetro as a company has done to the Community A. Contrast to what it has done for what was formerly the white areas, you see. So I am just saying that there has been a very much difference in terms of Corporate Social Investment which Liquipetro did in the white areas vis-a-vis in Community A. (Adla, former Community A resident, activist, advocate)

b) Temporal contrast in CSI contributions

Participants expressed dissatisfaction by comparing Liquipetro's community investments in the past versus current investments. They argued that Liquipetro is not making as much CSI now as they did in the past. Others attributed this drop in contributions to a weak municipality.

Look, Liquipetro is not involved in many projects now and I think I can say ten years ago. Now, there are no any meaningful projects. These things have been because also [pause] we have the very dump municipality, the weakest municipality that has ever found. (Thota, community activist)

Meanwhile, others attributed the change in CSI contributions over time to race. Thota mentioned that another reason why there were more contributions in the past was because back then, Liquipetro's CSI initiatives were serving only white people. He indicated that in the past (pre-1994) Liquipetro's CSI was meant to serve white people. He said that white young male matriculants (post-grade 12 learners) would be given bursaries by Liquipetro to further their studies and later work as professionals at Liquipetro, while those from Community A township were expected to be labourers for Liquipetro.

c) Concerns about air pollution

As they were appraising Liquipetro's CSI contributions, participants unavoidably raised concerns about the air pollution caused by Liquipetro. They mentioned air pollution as one of the reasons they are dissatisfied with Liquipetro's CSI contributions, while also noting that pollution counterbalances or reverses the gains derived from some CSI interventions.

Khusani said that he sees contributions from Liquipetro as a drop in the ocean considering the pollution that the company is causing.

> *We have been fighting with Liquipetro for many years for Liquipetro to play its share in the community and in all these years …. to us it is [what they have done so far is] just a drop in the ocean what Liquipetro has done [pause] considering the pollution that it has caused to this community of Community A, you know with health levels [deteriorating health conditions].* (Khusani, community activist)

Others suggested that air pollution caused by Liquipetro counterbalances or reverses the value they are getting through CSI. For example, they indicated that although Liquipetro is making positive contributions to the community, such contributions are offset/counterbalanced by the negative impacts of air pollution that they are experiencing, as well as associated health impacts. Sleti, who is a senior worker at the local clinic, said that although Liquipetro is making a positive impact in the community by upgrading the clinics, the value of these projects is reduced by Liquipetro's impact on health due to the pollution that it causes. She continued to say that it is for this reason (pollution) that Liquipetro should do more for the community.

> *I believe that even though, yes, they are impacting [positively] to certain extent in health [the health sector] by extending the buildings… to tell the truth…[incomplete sentence] because the allergies, truly speaking they are the cause. Because they are a firm that emits pollution and they are affecting the health of the surrounding people. You know why I say that? It's because most of our patients are having lung problems and particularly, particularly, they are having allergies.* (Sleti, worker at local clinic)

Meanwhile, a community member, who is also one of Liquipetro's former employees (Zakes), challenged the air pollution critics by saying that the community does not have good grounds to complain about pollution. He argued that, firstly, for any industrial activity of Liquipetro's nature, there will obviously be pollution and that is what the community should have expected. He said that Liquipetro is operating within the limits of their air emission licence and that should give residents some comfort. Secondly, he argued that it is communities that came to live near the Liquipetro plant after the plant was established and not the other way round.

> *Look, the plant was here before anybody was here, and you know people, when there is work, they come and start building around the plant. The company operates within… [pause] they have a licence. You [a company] have to have a licence from department of environment and you can't produce anything without waste, okay.* (Zakes, former resident, former Liquipetro employee)

In addition, Zakes indicated that communities sometimes use the issue of pollution for political bargaining and gaining political mileage. He said that when people want to be relevant or popular, they get themselves into politics. He maintained that such people become activists

against polluting industries so that they can get political recognition, meanwhile they do not understand anything about pollution and the environment.

d) Concerns about past firm actions and trained community firm relations

Other participants argued that the reason why Community A is not happy with Liquipetro is because of historical experiences that it had with the firm that had consequently strained relations between the firm and the community. Most notable is the 1987 strike that participants mentioned repeatedly. Participants stated that the 1987 strike/protests (see section 5.1.1) affected the relationship between the firm and the community, which in turn affected the perceptions of the people about any CSI activity from Liquipetro:

> *People, out of anger, in every meeting that Liquipetro firm arrange to explain their intention regarding [CSR] programmes, [and] inviting people to make requests, people [community members] would always raise the strike issue. It happened in 1987…. They [community members] develop a very hostile attitude, although it is slowly fading away. It is a very painful part that existed between the company and the community.* (Tsela, employee at centre for disabled)

e) Perceptions about corporate wherewithal

Some participants made judgements about whether corporate performance on CSI is satisfactory or not based on their perceptions of whether the company has financial resources to do more for the community or not. In this, there were those who believe that firms like Liquipetro have enough money to do more CSI but they are hoarding the money.

> *They have the means to be able to give a hand in bringing concrete and fundamental change to the infrastructure, so as [so that] the well-being of Community A can be of a dignified level, you see. But for me there isn't the will. There is no will. As I said initially to you, that I am generalising, but in my generalisation the same will apply to Liquipetro as well. The critique that I am giving you applies to corporate South Africa basically. I mean corporate South Africa is hoarding funds.* (Adla, former Community A resident, activist, advocate)

This view was shared by others. For example, Maseru said that

> *No, Liquipetro has money. Let me put it this way, Liquipetro has money!"* (Maseru, resident youth)

Meanwhile, others were more empathetic, highlighting that firms' resources are finite and firms can only do so much for the community. They further acknowledged that corporate wherewithal is impacted by the country's economic situation.

> *I understand that they should do more, but I understand that more will be controlled by the economic state of the country. So, you will understand that our economy has been struggling.* (Matsi, former member of Lebone Forum)

f) Distinguished roles of corporate vs local government

Participants suggested that one of the reasons why Community A may not be satisfied with Liquipetro's CSI contributions is because they expect Liquipetro to do the work that is supposed to be done by government. For example, Zakes said that everybody in Community A expects Liquipetro to give them jobs and also intervene in providing services where local government is failing.

> *People believe that Liquipetro should do… simple things like basic amenities and basic services, sewerage and electricity which are primary deliveries of the municipality. Those things are not well maintained nor are people getting the right kind of service [from the municipality]. So, they look up to business to assist and help them with basic services*. (Zakes)

Indeed, when asked about what they would like Liquipetro to do more of, some participants provided a wish list of services that are ordinarily supposed to be provided by government. For example, in all clinics, personnel proposed that Liquipetro could help with additional staffing and diagnostic equipment, while other community members suggested that Liquipetro could do more in terms of more infrastructure, tarring of roads, bursaries and sports and recreation support; all of which ordinarily fall within the mandate of government.

In one of the quarterly reports (Liquipetro-driven Lebone Trust's quarterly report) it is mentioned that a survey was done by a Community Action Group, which found that most residents rated potholes as their biggest frustration needing urgent attention. Thus, Liquipetro is now involved in the fixing of potholes which falls within the mandate of government.

Meanwhile, others defended corporate by saying that it is not the responsibility of business to pay attention to socioeconomic development issues.

> *Well, Liquipetro is not our government. It is just a [pause], it's a business sector. It wouldn't actually pay more attention to socioeconomic development. So I cannot blame*

them anyhow because it is not their responsibility. Their focus is to make profit. Our politicians have to take the responsibility. (Motli, resident youth)

5.1.7. Challenges to CSI implementation

Community A participants highlighted challenges and elements that impede successful implementation of CSI programmes in the community. These include:

- Local government administrative challenges
- Inadequate public consultation
- Lack of beneficiary cooperation
- Corporate corruption
- Individual corruption

a) Local government administrative challenges

Participants maintained that one of the challenges is that for some CSI projects to be implemented, local government needs to be involved. This involvement means that some of the administrative challenges that persist in local government are perpetuated into CSI programme implementation. In particular, they referred to lack of vision, corruption and misusing funds that are aimed to support CSI initiatives as core challenges. Furthermore, some have noted that when local government is involved, end-of-term administration changes local government affect CSI. These issues are discussed in the paragraphs that follow.

- *Local government administrative bottlenecks and administrative changes*

One of the reasons why participants believe local government involvement in CSI issues is prohibitive to the success of CSI initiatives is because local government is subjected to administrative bottlenecks that often delay CSI implementation. Matsi explained that when the Lebone Trust, for example, had to follow local government internal processes, CSI projects were delayed by administrative bottlenecks at local government.

But the trust relies solely on the municipality [pause], on the back up from the municipality. But we wanted to move away from that. We wanted to move away from that to rely solely on the needs of the community. It must be more of [pause], it must do away with this administrative [pause], what do you call it, err bottlenecks. (Matsi, former member of Lebone Forum)

He continued:

> *For an example, at some stage Loma [the local municipality] was under administration. What then are you saying? Are you saying then, projects [pause], we must not have projects? They must be involved like any other partner but a key stakeholder. But now the success of the project must not depend on whether or not they support it.* (Matsi, former member of Lebone Forum)

In the same breath, local government often undergoes administrative changes every five years, following the 5-year local government elections cycle. These changes can destabilise the modus operandi on CSI programmes, according to Matsi.

- *Local government corruption*

Another challenge raised was the corruption culture in local government. Loma local municipality has been notorious for all sorts of corruption activities. According to participants, this culture is infiltrating and influencing CSI implementation. Matsi indicated that municipal officials that represent local government in CSI forums often indulge in acts of corruption to influence success in CSI projects. This in turn affects the value creation process.

> *You know somebody is sabotaging the project because this project is benefitting so and so. You know they are fighting over the tenders and all those things. And so with this thing [of CSI], if they [the forum] are going to establish a project, someone is thinking, "I can budget as the municipality and give this tender to so and so."* (Matsi, former member of Lebone Forum)

- *Local government misuse of funds*

Alongside corruption were also claims of misuse of CSI funds by local government. Adla indicated that at some point Liquipetro gave money to the municipality in support of CSI initiatives, but the municipality ended up misusing the funds and in some cases municipal officials stole the funds. This affects CSI because Liquipetro and funders have become reluctant to continue funding in such areas.

> *So after our people [black people] came into power, Liquipetro said, "Okay, since we are working with government," and government would say, "Okay, we have this idea and we want to handle it like this." And Liquipetro will then bring the money. Then the government, and I am referring to the local government level, ended up using the money where they are not supposed to use it or they misuse it. So now as a funder, you will not continue to fund if beneficiaries waste the funds.* (Adla, former Community A resident, activist, advocate)

Thandi, who was a beneficiary of Lebone Trust, had a diaper manufacturing business which operated at the Lebone-funded business centre in Community A. The centre was established through Lebone Trust to house food vendors who used to operate in the open space at Community A taxi (minibus) rank. She explained that in 2016 there were community riots in Community A where the community was angry at the municipality. The centre was vandalised, resulting in massive losses to the vendors as their equipment was stolen. She said that Liquipetro donated money to compensate the vendors/enterprises that operated in the premises but because the municipality was involved, somehow the funds got stolen**.**

The lack of trust in local government when it comes to handling of funds was shared by other community members. When Motli was was asked whether he know of any project where Liquipetro is supporting small businesses, he said that they did not know of any. However, he suspects that Liquipetro donated money for such projects, but local government officials stole the money.

b) Lack of beneficiary cooperation

In Sepedi, there is a saying that "*Kgomo go tsoswa ye e itsoshang.*" This literally means that you can only help lift a cow that is making an effort to lift itself. Participants in this study indicated that sometimes companies want to create value for individuals in the community, but sometimes the beneficiaries themselves are not cooperative. For example, Dro indicated that Liquipetro has implemented a skills development programme. But the problem is that those who were capacitated are not doing their best to make themselves employable or get jobs and use their skills. When asked about what happened to the beneficiaries of the programme, he indicated that some did get jobs while others are lazing around.

> *Others went there and did the course and came back and just stayed home, lazing around, others are still working at their contractors.*

He continued:

> *It will be up to you to take the opportunities that are available.* (Dro, resident youth)

This was corroborated by Mocha, who was a beneficiary of Liquipetro's entrepreneur development programme. He argued that sometimes the problem is that community members are not getting up to help themselves.

> *The community that I am from is a nice community, but it is a community where [pause] many people do not want to do things for themselves. It's a community where everybody wants to see them working at the firm.* (Evander, resident youth)

Tsela presented the lack of cooperation as a challenge also from indirect beneficiaries, that is, parents of children with disabilities. He explained that as part of Liquipetro CSR, a centre for disabled provides transport to collect kids from Community A and bring them to the centre on a daily basis. Sometimes when they ask parents to contribute a small amount towards transport, they get resistance. He said that parents would rather leave disabled children roaming the streets than make a small contribution for transport and this is value diminishing.

> *But parents would rather [instead of bringing the children to the centre] have their kids at home or roam the streets while dirty, neglected and some being raped as girls. And we are not asking for a lot of money.* (Tsela, employee at centre for disabled)

c) Corporate corruption

According to participants, one of the things that destroys CSR is corporate tactics used in divide and conquer situations. They alleged that sometimes corporations use these tactics in order to combat the need to meet community needs and demands. In one instance, Community A representatives approached Liquipetro requiring a specific project and Liquipetro allegedly divided the community by simply employing community leaders.

> *Liquipetro was approached to fund the project. You know I can tell you, my sister, Liquipetro just divided all of us in that project! Number 1, they promised other chaps to be employed by them which they did so. Liquipetro said "We still want to do this, so come and work with us on the same thing but come and work with us." So once you work with them [Liquipetro], you are like the person who is eating the stalk sweet [lollipop] [you are too satisfied to care].* (Thota, community activist)

Thota explained that the reason corporations are able to use these tactics is because they know that community representatives are in desperate economic conditions and often will take any offer for themselves at the expense of community needs. He explained that in one instance they (as community leaders) approached Liquipetro asking for implementation of an environmental protection programme, they did not want to be given money. He said that Liquipetro used its tactics and their representatives ended up being bribed by job offers and the project was never implemented.

Thota further explained that, in some instances, when the community makes demands and engages with lawyers to get Liquipetro to meet community needs, Liquipetro would bribe the lawyers. There are also allegations of deaths arising from the community making demands from Liquipetro.

You'd remember there was the class court that we wanted to take [pause], which they tried to bribe the lawyers representing our community. (Thota, community activist)

d) Individual corruption

Some participants believe that corporate is doing well to uplift the community, and the only problem is community members themselves. They said that there are people in the community or corporate-appointed implementing agents that are focusing on what they can gain from CSI projects instead of delivering wholly for the benefit of the community. One of them claimed that when Liquipetro donated funds and resources to help the community to establish a recreational park, certain community members walked away with the money.

You know people tend to go towards enriching their own.

I just overheard that the place was actually surveyed as a recreation park and certain individuals approached Liquipetro to build the park, of which Liquipetro eventually agreed.

They [Liquipetro] disbursed the funds. They gave the money and they gave all the necessary tools. And our people walked away with that. (Motli, resident youth)

Sometimes it is not community members or appointed leaders that steal CSI funds but other implementation agents that are appointed by firms to deliver on CSI projects. Mocha, who is a beneficiary of Liquipetro's skills development programme, indicated that there were allegations that the implementing agents of the skills development programme are smuggling money for their own benefit – money that was supposed to assist emerging entrepreneurs.

5.1.8. Challenges to value sustenance

Participants did not only raise challenges that affect CSI programme initiation or implementation success (as shown in the section above), but also challenges that affect sustainability of such projects after their successful implementation. These are presented below:

a) Local government incompetencies

Participants said that the local government competency challenges, raised above, become more visible when some projects are handed over to municipalities post-implementation. That is because local government has exclusive mandate in terms of certain aspects of community development, and firms have to hand over CSI projects to municipalities after completion. And this is where local government inefficiencies become visible. When talking about one of the

projects that involves Liquipetro collecting waste from the township on behalf of the municipality, Boni said that sometimes Liquipetro would establish a programme, e.g., on waste collection, but because waste collection is a primary function of the municipality, Liquipetro would develop the concept, provide resources and hand over the entire project to local government. Thereafter, the project would start malfunctioning and loses its value.

> *You would find that Liquipetro will give out programmes [funding for programmes] but do it on behalf of municipality and then the municipality didn't handle it right, the right way [after the project is handed over to the municipality]. So, when Liquipetro has the programmes, it does them well. It gets fully involved.* (Boni, resident youth)

b) Lack of monitoring & evaluation

Others suggested that there is a lack of CSI programmes' monitoring and evaluation to ensure sustained value for communities. Maseru (resident youth) said that sometimes companies like Liquipetro operate like government in the sense that they make investments in communities without following up to check if the investment and value created is sustained.

> *Government can give you funds and don't come back to see whether you are progressing, stuck, eaten the money or do you have the love of this thing. They leave you like that. So Liquipetro goes like that*. (Maseru, resident youth)

5.1.9. Suggested areas of improvement

This section reports on suggestions made by participants to address challenges, and to improve implementation of CSI projects in Community A overall. These suggestions are presented in the following paragraphs.

a) Independence from local government

When talking about some of the challenges they faced when implementing programmes under the Lebone Trust, Matsi said that for CSI programmes to be successful, the trust must be independent from local government because the five-year administrative changes mean that each time the trust has to deal with new incumbents with different appetites and determination for the programme.

> *We need an arrangement where it is independent, totally independent of local municipality. So, it does not rely on whether or not the next five years, the administration or politicians leave, you see, it will still be there irrespective of whether the mayor is whomever, it would still be there. I want it to be like that. So, we won't be worried about who is in the list, who is not in the list, which party is winning, which party is losing, you*

see. It must be a bona fide community project. I think you understand, but we still have to mastermind that concept as to how do we deal with it. (Matsi, resident and former member of Lebone Forum)

b) Collaboration with government

Despite the local government administrative challenges alluded to in section 5.1.7, there are suggestions that in order for CSI programmes to be successful and impactful, corporate must collaborate with government (including the same local government). Liquipetro's sustainability reports and Lebone Trust quarterly reports suggest that Liquipetro does collaborate with government on a number of social projects such as the Provincial Department of Arts on sports and arts-related CSI projects, the Department of Environmental Affairs on environmental awareness campaigns, and the Department of Health. Liquipetro also mentioned in its Sustainability report that it aims to serve the needs of its fenceline communities in line with the national agenda.

Participants that suggested corporate collaboration with government (local government in particular) on CSI matters emphasised that such will assist in two ways: Firstly, it will ensure that CSI work is informed and aligned with Integrated Development Plans (IDPs) and Local Economic Development (LED) frameworks. Secondly, it will enable concentration of resources, thus giving thrust to projects and project outcomes.

Participants clarified that such collaborations should be limited and not be so intricate that the entire process depends on local government; it should rather be in such a way that it enables alignment of objectives. This is to minimise local government administrative challenges highlighted in section 5.1.7.

Meanwhile, Matsi noted that collaboration with government alone will not be sufficient if the leadership thereof is not supporting or prioritising CSI initiatives. He gave an example that shows that astute leadership at local government is critical to the success of CSI processes.

For an example I can say one thing, but this one you don't have to mention. Like I told you, the late Mr Masha [pseudonym] was highly vocal, was so supporting of Lebone. But mayor following him, never had a buy-in, they were too busy for that. Mr Masha prioritised Lebone because he understands this is what is going to benefit this community. You see how it is. (Matsi, resident and former member of Lebone Forum)

c) Understanding of community needs

Participants insisted that for CSI interventions to be valuable, corporations must understand community needs and deliver according to such needs. They argued that when CSI projects are delivered based on the needs, communities can own the project and therefore sustain the projects. Otherwise, programmes become white elephants or get vandalised.

> *You know, I think you know with corporate investment, it's important… it's not about a company which has money just to spend it for the community… but it [the company] must also hear from the community, what does the community want.* (Matsi, resident & former member of Lebone Forum)

He continued:

> *You cannot decide for the community, this is what is important. You cannot decide for the community otherwise everything that you build will be a white elephant.* (Matsi, former member of Lebone Forum)

The significance of understanding community needs is that it creates a sense of ownership. When community needs are understood and communities are consulted, they gain a sense of ownership of the project, which makes them value the project. This is important for project sustainability.

> *This is why the community burn things which are done by outsiders, they never ask for that. But when they ask for it, and they co-project plan the execution, then they own it. That is the gist of the success on this. ..., that's how CSI should be done.* (Zakes, former resident, former Liquipetro employee)

Participants presented the various mechanisms for understanding community needs which are themselves critical elements of value creation. For Community A, the suggested mechanisms for understanding community needs are public consultation, consultation with sector champions and surveys.

- *Understanding social needs through public consultations*

Participants suggested that public participation is key for value creation. Matsi gave an example of a failed project where Liquipetro placed surveillance cameras that were supposed to minimise crime in the community. He said cameras are currently not working and he thinks that the reason is that there was no consultation to determine whether the community needed these. Meanwhile Gpapa explained that the reasons why upgrades made by Liquipetro in

Larryana clinic were successful and useful to the community is because the community was consulted**.**

> *What makes it [the project] successful is that, if they want to build the clinic, they start at the community, and they do not begin at the department. They ask the community, "We want to build you the clinic; your clinic is small, do you agree?" That's the thing I see. Communication is between them [Liquipetro] and the community.* (Gpapa, employee at local clinic)

In its 2018 sustainability report, Liquipetro prided itself on how they consult with stakeholders. The company reported that it embarks on direct engagement with its fenceline communities, it shares information with them and obtains feedback on the impacts of their CSI programmes. The 2020 report also suggested that all of Liquipetro's CSI initiatives are informed by a process of understanding our stakeholders' issues and desired outcomes.

- *Demerits of public participation - individual voice*

Participants mentioned that public consultation should be done in a manner that enables expression of individual voice. They noted that the conventional forms of public consultation such as public meetings may not be as enabling as individuals may have ideas that are beneficial for the community but cannot raise them in public meetings.

> *Elizabeth, [for example], we will be in the same meeting with her. I will be saying that I want a crèche and Elizabeth will be afraid to say she wants a clinic because people will think it's stupid because the clinic and the crèche are not too far apart. And then she will keep quiet or say that she also supports the crèche!* (Matsi, former member of Lebone Forum)

> *That's the truth. Meanwhile Elizabeth's need represents the need for the majority of people even beyond those that were in the meeting. So you see those dynamics. Hence I am not talking about public participation meetings. They have their own limitations.* (Matsi, former member of Lebone Forum)

Indeed, Liquipetro has already started considering this approach. Based on Lebone Trust's quarterly report, the project involving fixing of potholes was informed by a community survey of matters that need immediate attention. However, none of the participants of this study mentioned the survey actually being done.

- *Understanding needs through surveys*

Given the shortcomings of conventional public participation highlighted above, participants proposed that public participation should take into account individual voice and such could be achieved by conducting surveys in the community. Matsi suggested that corporations could work with NGOs in conducting surveys to identify social needs and challenges. This was supported by Zakes. What asked what they would do differently, they said:

> *I will have my own survey, independent survey to check what are the needs of the community. Maybe working with NGOs.* (Matsi, former member of Lebone Forum)

> *Going into the community and also doing research and surveys like you're doing, where are the challenges, and usually the challenges will fall within the economic, you know, environmental, social mainly and education.* (Zakes, former resident, former Liquipetro employee)

- *Understanding needs through sector champions*

Another mechanism suggested for firms to gain understanding of community needs was through consultation with sector champions who can serve as the voice of the community. This suggestion stems from the model that is currently used by Lebone Trust where sector champions are used as the voice of the community. The sector champions are not political appointments but employees in a particular sector (e.g., a principal will be a sector champion for the education sector). These champions are considered a voice of the community because they are believed to understand the needs of the community as they pertain to that specific sector.

> *Remember in the beginning I spoke about sectors, because we have clear understanding that those sectors will understand the needs of that community better than we do. We cannot begin to say we going to [pause] say I have identified a need in the school and you decide to buy laptops for matriculates, also those matriculates don't need to have laptops, they are comfortable with their phones, why do you need to buy, just to buy them Wi-Fi, you get my point?* (Matsi, resident & former member of Lebone Forum)

- *Transparency in consultations*

Additionally, Zakes raised the issue of transparency when engaging communities. He said that corporations are sometimes dishonest about their social contribution capabilities and that this should be avoided. Speaking as a former employee of Liquipetro, he said that:

We [companies] lie a lot, okay, and we spin things a lot. We do all of these things. You hear people say, "they are taking us as fools". When people say that, it's because they can see through what you're saying. So, if you can be honest with people, be transparent and if it is difficult and it cannot happen, then tell, talk to the people straight. Don't try and spin it so the pain feels better. (Zakes,) former resident, former Liquipetro employee)

d) Beneficiary cooperation

Participants suggested that CSI projects (especially those that entail entrepreneur development) can only be valuable if they are implemented in support of existing entrepreneurs (who are already demonstrating eagerness) rather than recruiting people who do not have a sense of urgency. Maseru said that when it comes to enterprise support, companies must support businesses that have already started such as those who already have a car wash or shops. That way they can enhance/add value to businesses, and even enable them to employ or mentor others.

Already there are people who started their own business, meaning this person is eager to work. Even the community knows him. Let's say it's a person who sells fat cakes, every morning he is here …. Already this person is waking up early and doing something about his life. You see! Then there are those who are interested but do not have money to start. Why don't they [companies] start with those who already wake up early and do it for themselves? (Maseru, resident youth)

In general, participants are suggesting that the captured value of CSI initiatives will depend on beneficiaries being ready to co-operate in value creation. According to Mocha (resident youth), the ability to cooperate and thereby co-create value will depend on participants knowing what they want. Mocha indicated that at some point he was receiving support from PlatiOre incubation project, but because he did not know what he wanted, they realised that their support would not be valuable. He understood that as a success factor - that people must know exactly what they want in order to derive value from projects.

5.1.10. Summary of Community A case study

Overall, Community A case study revealed in-depth understanding of community perceptions regarding CSI processes, antecedents and outcomes of CSI. Firstly, it provides an understanding of the processes leading to CSI project inception from the lens of the community. These processes are seen as either proactive (coordinated through the Lebone Trust) or reactive (ad hoc). Secondly, the community highlighted the reasons (antecedents) for

CSI. They noted that Liquipetro must implement CSI projects for economic reasons (to avoid social unrest with economic consequences); moral reasons (because it is the right thing to do); historical injustices reasons (because Liquipetro benefitted from apartheid injustices) and environmental reasons (because Liquipetro is causing pollution that is affecting their health). Thirdly, the community expressed satisfaction with the outcomes of CSI at project and company level. Alongside their satisfaction expressions, they provided reasons for their satisfaction or otherwise. These reasons included geographic contrasts (comparing what they get from Liquipetro with what other communities are getting), temporal contrasts (comparing what they get with what they used to get), expectations for firms to do government duties, perceived financial capability of a firm and poor community-firm relations.

Finally, this case highlighted the challenges facing CSI implementation and sustenance according to community members. Here, community members provided their perceptions about matters that make the CSI regime and CSI programmes fail in their jurisdiction. Elements such as local government administrative challenges, inadequate public consultation, lack of beneficiary cooperation, corporate corruption and individual corruption, local government incompetencies, as well as lack of monitoring and evaluation were highlighted. Participants also provided their views on what can be done to improve the situation, in light of the challenges mentioned.

5.2. Within case Analysis: Community B, Region BB, Northern Province

5.2.1. Case description

Community B is a traditional and rural community consisting of an amalgamation of villages. The community is located in Nala Local Municipality, Northern Province (map available but not provided for anonymity reasons). Being a rural community, it is not industrialised and it only encounters corporate programmes implemented by one particular mine, PlatiOre.

Demarcation: There are over 30 villages in Community B, with six of them being very close to the mine. These communities are often impacted by mining activities such as blasting and dust from residue stockpiling. Nonetheless, since it was not the purpose of this research to understand mining impacts, this research did not consider proximity of the participants' residences to mining activities. This research interviewed participants from an arbitrary selection of villages.

Political history: By virtue of being far from cities, Community B was not vigorously involved in historical political activism as compared to township areas like Community A and Community C. Nonetheless, Community B has experienced the impact of apartheid mainly in the form of

relocations and land dispossessions by the former apartheid government. These relocations happened until 1951 when Community B's tribal authority was given administrative powers to the then limited land, under the former Bantu Authorities Act (Phuhlisani, 2018). After democracy, all uninhabited Community B land was returned to the South African government, but in light of the customary law, the constitution and the Interim Protection of Informal Land Rights Act 31 of 1996 (IPILRA), Community B have the right to use the land and to benefits accruing from the land (Phuhlisani, 2018). This context (also detailed in Chapter 3) is important to understand for this research because the company whose CSI activity is of interest for this research (PlatiOre) is operating on the land that belongs to the community, and had subjected occupants to further relocations.

As PlatiOre Mine expanded into its various phases of mining, some of the villages in Community B had to be relocated for safety reasons. These relocations were negotiated for years as some residents were refusing to relocate. Many households eventually agreed to relocate and took the offers made by the mine (in the form of housing, financial compensation for farmlands and CSI promises). A few other households remained in their old homes as they were not satisfied that the offers were fair. This division in community has for a number of years caused tensions between the community, between the community and tribal leadership (chief) and between the community and the mine.

Visual setup: Community B settlements consist of a combination of informal self-made mud and brick houses and formal houses, with predominantly gravel roads. In between villages, there is undeveloped virgin land dominated by shrubby vegetation. The single most conspicuous infrastructure is the PlatiOre facility.

Socioeconomic conditions: Employment rate in Region BB municipality is a mere 26% (Corporative Governance & Traditional Affairs, 2020). No socioeconomic statistics were reported specifically for Community B but from data collected, the participants flagged the following social and socioeconomic challenges:

- High levels of unemployment;
- Unavailability of clean water;
- Youth that cannot access further education post-grade 12;
- Increasing drug abuse (which used to be taboo in traditional communities);
- Poor infrastructure development; and
- Loss of economic opportunities to immigrants

According to previous research done in the area (anonymised), Community B is an area of high unemployment and low income, with most households surviving off social grants. A small number of adults are employed at PlatiOre mine, while some work as domestic workers in the local town. Some households undertake subsistence farming, which has drastically reduced as mining activity started gaining momentum in the 2000s (Reference anonymised).

Study participants: In Community B, 14 participants were interviewed, however, one audio was lost and therefore only 13 interview scripts are available. For the lost audio, field notes provided a useful substitute. Community B participants were of various age groups, from age 24 to late 50s as shown in Appendix 4. Participants were varied in their occupations as follows:

- Beneficiaries of PlatiOre's Phakama CSI programme = 6 (one lost audio)
- Community Activists = 2
- Unclassified residents = 6

Participants provided their responses in relation to CSI projects that are implemented in their community by PlatiOre. This is because PlatiOre is the only corporate operational in their vicinity.

5.2.2. Community understanding of approaches to CSI

While Community A residents reported two different approaches deployed by Liquipetro in implementing CSI programmes (i.e., reactive ad hoc process and the proactive multistakeholder approach), Community B residents reported that PlatiOre only deploy reactive approaches. They said that certain individuals (or a group) will approach PlatiOre mine requesting a particular social intervention. However, they noted that in most instances the needs of the community as a whole are presented to PlatiOre using the tribal authority as a channel. Meanwhile, there are those participants who do not have any understanding of how CSI gets implemented in the community.

a) CSI implementation as a reactive ad hoc process

One participant mentioned that the mine will be approached by individuals to request interventions. He said that the mine would not voluntarily implement a CSI programme without such being required by the community, which suggests a predominantly reactive approach.

> *In my opinion, there are people in the community that approach the mines, and tell them about our needs. Because what I have noticed is that the mine does what the*

community proposes to them. Because firstly, the mine will not just decide to implement such projects without being approached. (Thoka, resident youth)

- *Tribal authority-led reactive process*

Although any group of individuals can approach PlatiOre requesting social contributions, as stated above, often for community-wide projects, certain individuals will be selected to represent the community to the firm. These would be individuals that are elected by the community (through the tribal authority), and appointed as liaisons to the mine.

> *There are people that were elected as liaison with the mine. They are the ones that attend the meetings with the mine and discuss issues relating to the community with the mine, you see. So, the community can elect four or five people. So they are the ones that represent the community when it comes to issues relating to the mine.* (Thoka, resident youth)

This view was supported by Lula (resident) who also understood the process as ad hoc through the appointed liaisons. He also emphasised that the implementing of CSI interventions is triggered by community demands (reactive) that are presented by headmen to the mine rather than being the mine's concept.

- *Social unrest as a trigger for CSI*

Participants emphasised that PlatiOre mine does not voluntarily initiate or make a decision to implement CSI projects. Instead, the company's decisions to implement CSI projects are influenced by community unrest. Manga indicated that the company only implements a project after a community protests. He provided an example that it was only after the community protested that the mine initiated a project to supply the community with water.

> *What mines [mining companies] do in our communities is they respond only after a community protest. If there is a protest, they will promise something and that is when they will try to implement change.* (Manga, resident)

He supported his statement by providing an example of a new school that was built by PlatiOre. He said that one of the learners was injured at the previous/old primary school, the community protested and that is how PlatiOre got to build a new school. He insisted that the building of the school was not a voluntary CSI initiative by PlatiOre.

b) Limited understanding of CSI project implementation approach

Some participants did not seem confident when they were expressing their understanding of the process; this suggests a lack of understanding of the process. This uncertainty was evident by participants' use of the words "I think" and "they say" when asked about how projects come to being implemented. Others had no understanding at all because when asked, they said all they know is that small companies in the community bid for community development projects and one gets selected to be implemented. They have no understanding of the underlying drivers leading to the conceptualisation of community projects preceding calls for bids.

5.2.3. Participants' expressions of reasons for CSI

When asked about the reasons why firms should engage in CSI activities, Community B participants provided moral reasons, loss of land and pollution. These are discussed below:

a) Loss of land

Participants suggested that the reasons why PlatiOre should implement CSI initiatives is because PlatiOre is operating on their land and is making a lot of money out of it. For example, Manga said that the only reason he expects a company like PlatiOre to implement community projects is because the company is making money from their land. He opined that it is not an obligation for all other companies to do CSI as that is the role of government; however, companies like PlatiOre should do CSI because they have to give back for what they have taken.

> *It is not really their [companies'] obligation, but if you can count how much they [PlatiOre] are taking from our land, so they must just say thank you to the community by impacting our lives in a positive way. By just giving us something we have never had an opportunity to have.* (Manga, resident)

b) Pollution-dust

Similar to Community A, Community B participants said that pollution in the form of dust is one of the problems caused by the mine. However, unlike in Community A where pollution was seen as both a reason for CSI and a reason for dissatisfaction with existing contributions, Community B residents only mentioned pollution as a reason for CSI. When asked why companies like PlatiOre should invest in communities, Lula said:

> *Things like blasting create a lot of pollution, you see, so it affects a lot of our communities. So I think it is their responsibility to plough back.* (Lula, resident youth)

5.2.4. Community appraisals of CSI at programme level

Participants expressed their satisfaction and dissatisfaction with different CSI programmes that have been implemented by PlatiOre by giving them a rating showing how satisfied they are with projects.

As with Community A, positive judgements were expressed by making a comparison of situations before and after the programme (pre-post comparisons - expressing prior challenges or social ills they suffered before the project and/or good things they are experiencing after the project); while in some cases they made absolute performance judgements. Also here, negative judgements were expressed by making absolute performance judgements, highlighting persisting challenges even after project implementation.

a) Positive judgements

One of the beneficiaries of Phakama (PlatiOre's entrepreneur development programme) mentioned that he found the programme useful because prior to his participation in the project, his business was not performing well but since participating in the programme, he is now one of the top 10 suppliers of PlatiOre and the business is performing well.

> *That initiative [Phakama project by PlatiOre] has been very helpful to us [pause] persons like me [pause] because in 2018 when I was intending to start a business, it was a struggle just to get work in the mines. It was really difficult. 2019, it became a little bit easier.* (Luthapo, PlatiOre's Phakama beneficiary)

In support, another beneficiary (Tshesa) said that PlatiOre's Phakama programme did not only benefit him but also a few other companies which developed from being small companies to being medium sized with continuous business transactions.

b) Negative judgements

When making negative judgements (dissatisfaction), participants did not compare past and present conditions; instead they made absolute judgements based on the shortfalls of the project and persistent challenges the project was facing. For example, when talking about the water supply project that PlatiOre is implementing for the community, they said that PlatiOre is supplying them with water only a few times a month, yet they need water on a daily basis. This means that the project is not fully meeting their needs.

> *So, another project that they assist us with is the water project, because they said that the mine has to supply the community with water. So, they come once a month. They*

say that's their project but, you see, we are not satisfied. They are actually breaking our hearts because we rely on them but they don't supply us with water. you see. They only deliver water once a month. (Vida, resident)

In the same manner, participants made judgements of the houses that PlatiOre built for community members (those that were relocated to Madibeng village). Participants expressed dissatisfaction with the houses, indicating that the houses are of poor quality, they are cracking and ceilings are falling.

c) Judgements based on higher order impacts

Community B residents did not only make value judgements about primary outcomes and impacts, they also expressed secondary impacts of projects. They mentioned that failures in PlatiOre's community water supply project is not only denying them a basic necessity that is water (primary impacts), but it also affects their social needs in other domains such as education (secondary impacts). One participant explained that because of the failure of the project, the youth of Community B find themselves having to spend more time fetching water instead of focusing on their studies. This symbolises the opportunity cost of a failed project in one domain of social needs (health and wellbeing) affecting another domain (education).

When a child goes to school, when he/she comes back from school, he/she has to spend two hours to fetch water from far. When he/she comes back, he/she is already tired. There is no child that will study when they are tired. So, when water becomes available, there will be more changes, like growth for the youth, chance for them to study and things like that. We get disturbed by minor things like fetching water. When you come back you are tired, have to rest and tomorrow morning you have to go to school without even doing homework. So, its basics like that which can give your youngsters a leverage in terms of saving time to focus on their growth. (Manga, resident)

Positive judgements were also posed at higher order impact level. Thoka explained how one of the projects by PlatiOre (Aquaponics/Greenhouse farming project) has enabled some community members to get jobs, positively impacting the lives of their families. He said that one of the community members was a head of the family and struggling to get work but now after the farming project, he not only got a job, but managed to build a house for his family and changed their lives positively.

I know Joe. He was the only boy and the family depended on him. So, he was unlucky when it comes to getting a job. Then he got a job on one of the projects. The agriculture

one. And he was able to bring a lot of changes in his home. He renovated the house, which showed the changes. (Thoka, resident youth, learnership holder)

5.2.5. Community appraisals of CSI at company level

Similar to Community A, Community B participants further appraised the overall contribution of the company to the community beyond a single project. They made positive and negative statements saying either (i) a lot has been done by firms or that (ii) more needs to be done by firms.

On the positive side, Thoka mentioned that PlatiOre has implemented a number of projects for the community such as learnerships, old age homes and orphanages. He also explained how such projects have positively contributed to people's lives:

And they also build them better houses. Those that were living in one-roomed houses and two-roomed houses, are now living in better houses. Others were staying in a shack, but they were settled in houses that are built in face brick. The house has ceiling and is tiled. You see, that is the other part of improvement that is brought about by the mine in the community. (Thoka, resident youth, learnership holder)

On the contrary, Happy said that he feels that PlatiOre could do more. He was asked what "more" he would do for the community and he mentioned a number of projects that he thinks should be implemented:

When I say there is a lot of work, I am looking at the fact that there is a high rate of unemployment, so we need more projects. I would improve the community by building stadiums, parks and some colleges and educational centres for people to study from. Things like libraries. (Happy, resident)

5.2.6. Community reasons for satisfaction/dissatisfaction with CSI

Community B residents presented implicit and explicit reasons or drivers for their satisfaction and dissatisfaction by making reference to the following aspects:

- Inter-community contrast in contributions;
- Losses incurred by the community;
- Concerns about air pollution;
- Concerns about past firm actions and strained community-firm relations;
- Perceptions about corporate wherewithal;
- Lack of trust - corporate failure in fulfilling social agreements;

- Lack of trust due to lack of transparency; and
- Perceived moral capability of a firm.

a) Geographic contrast in contributions

Similar to Community A, Community B participants expressed dissatisfaction with company level CSI performance by comparing what PlatiOre is doing for their community with what the same firm is doing for other communities. However, unlike Community A, there was no geo-racial dimensions to their comparison and only an inter-community dimension was observed. In particular, they compared the contributions made by PlatiOre in Rustenburg for Bafokeng tribe (North West Province) against what they are receiving from PlatiOre in Community B. They mentioned that PlatiOre has built better houses and stadiums for Bafokeng communities, which has not been done for them in Community B.

> *Look at Bafokeng. Bafokeng [pause]. I have been there so many times. But the houses are like beautiful. The mine is doing everything for them. People are working that side. But Community B village, which is less than 5 kilometres away from the mine… is doing nothing for us. Which is a problem!.* (Ephora, resident)

> *Bafokeng is one developed town. There are some stadiums where people who cannot be hired in the mines … can still exercise their talents there. In Bafokeng actually there are so many developments of which Community B we don't even have a mall ma'am.* (Manga, resident)

- *Intra-community comparisons*

Participants also made an intra-community comparison where instead of comparing PlatiOre CSI with far regions, they compared the company's CSI across the different villages within Community B. They complained that PlatiOre is doing more for some villages in Community B than others. Manga indicated that PlatiOre has implemented a number of projects for villages near Village 1 and that Villlage 1 get first preference on recruitment, but not much is done for his village.

Manga indicated that the reasons why other villages receive priority when it comes to CSI is that such villages host residents that were relocated when the mine was established. Indeed other participants confirmed that Village 1 comprises families that were relocated by the mine, hence they receive preferential treatment from the mine.

b) Losses incurred by the community

Participants expressed dissatisfaction with PlatiOre mine's CSI while highlighting the losses they incurred as a result of the mining activity (trade-offs). They spoke about various trade-offs that account for why PlatiOre's CSI contributions are considered less valuable. Such trade-offs mentioned include (i) dispossession of land (ii) dispossession of water resources (iii) damage to property and (iv) dust/pollution.

- *Dispossession of land (for farming, grazing and firewood collection)*

Participants were emphatic and passionate about how PlatiOre acquired its mining rights and the subsequent relocation of some Community B villages. Participants indicated that PlatiOre is not making satisfactory contributions to the community considering the losses incurred by the community as they were relocated. Sashi said, with anger, that it is unfair for the mine to take land and only give them donations. This means that he does not consider PlatiOre's contributions or "donations" valuable for the land it took.

> *I want to give you an example: you take my land, tomorrow you say you want to give me a donation, what do you call that!* (Sashi, community activist)

> *There isn't anything that helps us. Remember the time when the mines were relocating people, so we are looking up to the mines to do a lot of things for us, but the mine is not doing it.* (Rose, resident)

Participants indicated that the relocation came with loss of arable land that the community used to rely on for their livelihoods. When asked to elaborate, Sashi explained this trade-off by saying that before the mine operated in their village, they used to have arable land where they would cultivate various crops. They were also able to sell their produce for money. He said that now they have lost all of that in exchange for unsatisfactory donations.

> *People were ploughing, they were doing lots of mini crops, selling it to the kooperasie [agri-milling co-op], wherever they are selling it, taking their child to school and to varsity, to school, all over also. But now when the mine comes here, we are poor, we are the beggars now.* (Sashi, community activist)

Sashi's statements regarding trade-offs made in terms of arable land were corroborated by Anlia who said that villages closer to the mines no longer have arable land. And those that are further away from the mine are not able to cultivate crops because even when they do so, their crops are affected by dust debris that deposits during blasting.

A detailed report (anonymised) on Community B challenges confirmed that indeed some villages have suffered losses as a result of the relocations. The report explained these losses in terms of the change in percentage of households with access to ploughing fields before and after mining operations, as shown below.

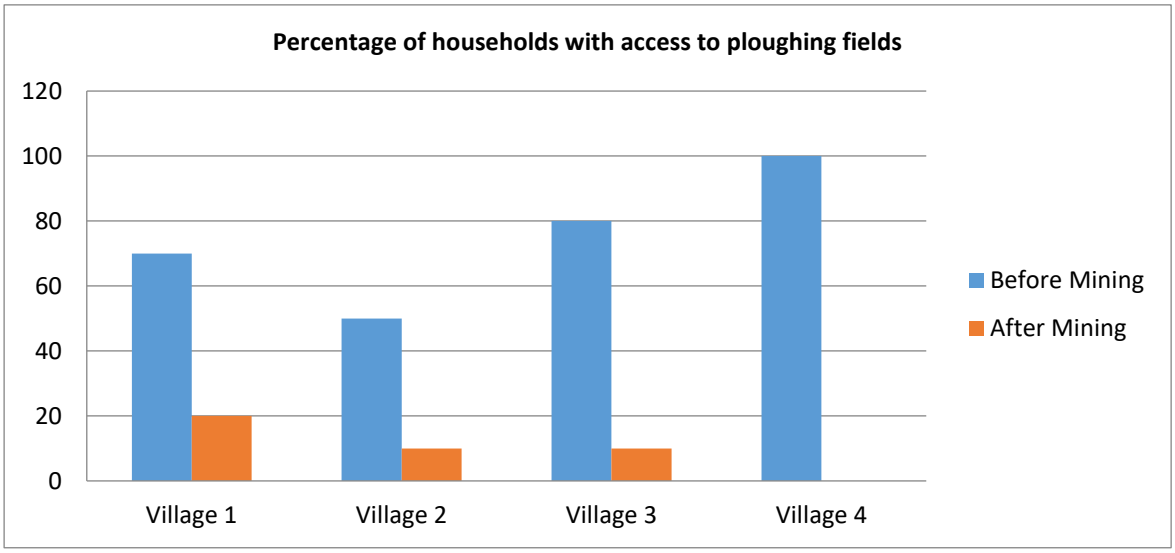

Figure 6: Percentage changes in access to ploughing fields in Community B before and after mining (Anonymised report)

Participants said that the money that was given to households in Community B (which was R3 000 per household) in compensation of relocations was not enough trade-off for what PlatiOre is making out of their land. Hence, Manga suggested that PlatiOre needs to do more to impact people's lives positively.

> *But those minerals belongs to Northern Province [anonymised]. [Pause] [They] belong to our villages and it is not worth R3 000 [once-off compensation given per household by the mine]. It is more like, … today they have taken away [mined] ounces [of ore] that can make maybe a billion. So they must just say thank you to the village with one big note. Just to [pause] with something that can impact our lives. Even if we have lost those chances of farming or something.* (Manga, resident)

- *Loss of water resources - water quantity and quality*

Alongside relocations and loss of economically productive land, participants mentioned the loss of water resources as a trade-off. They indicated that since the mine was established, the community had started experiencing water-related challenges (both water quality and water availability challenges). Most participants mentioned the water issue as something that makes them generally dissatisfied with the mine.

> *Gaba is a village where we were used to having water every day in our taps. So now since mining started, we are having a problem of err, now we are having [pause] our water supply has been reduced. We are being given water [by the mine] by schedule, whereas from when I was growing up, I'm sure to the age of [pause] I am 42 years now. Until the age of 21 years, that's where I started seeing changes. We are short of water.* (Sashi, community activist)

This is not the first time that water challenges in Community B have been reported and associated with PlatiOre. There have been reports that villages closer to the mining operations have experienced drying up of natural springs since the beginning of mining operations. Although the link between mining operations and drying up of springs has not been scientifically tested, water scarcity is a problem confirmed by residents and Nyala Municipality officials (Anonymised report).

Water was viewed as a trade-off not only in terms of water quantity but also water quality. Sashi indicated that the water that the community is receiving from the mine is contaminated. He explained that as a member of a community-based organisation, they procured the services of ActionAid to analyse water supplied by PlatiOre and they found that the water was contaminated with nitrates. A report by one of the NGOs corroborated this by indicating that in 2007 an expert tested water samples from five points in the community and found that it was unsafe for drinking. The mine is blamed for water contamination and water shortages in the area. According to the NGO report, PlatiOre's view was that the mine was not responsible for the contamination but pit latrines were.

- *Loss and damage to property*

Although Community B did not mention the issue of damage to property as an offset, they did mention it as a problem which can reasonably affect community value judgements or perceptions. Participants noted that some houses are located some 20 to 50 metres from the fenceline of the mine. As such, some properties get damaged (one actually collapsed) during blasting that happens in the mine.

> *Remember, the mine is currently active here, they blast. It is not underground, but they are blasting. The houses are cracking, you understand. They are cracking.* (Anlia, community activist)

Property trade-offs and losses incurred by Community B residents can also be viewed and understood in the form of loss of cultural property and intangible assets associated with it. Documentary data suggest that Community B residents suffered loss of assets in the form of ancestral graves during the relocations. In the space of two years, 2 200 graves were relocated

by PlatiOre to give way to mining. The community was reportedly unhappy with the compensation received for the relocation (R1 500 per grave). The dissatisfaction was not only associated with the financial implication of this trade-off (money in exchange for grave relocation) but also due to the cultural significance of the graves. African communities have strong cultural beliefs about ancestral graves as these sites are consulted for guidance and favour through prayers and ceremonies. Thus, the removal of graves can be seen by traditional community members as a loss of ancestral protection.

c) Concerns about air pollution

Community B participants who were dissatisfied also raised the issue of dust emissions from the mine as a concern. Unlike Community A, Community B participants did not explicitly mention dust as a reason for their dissatisfaction, but as they were appraising the firm they said that dust emissions are affecting both their crops and their health. Thus, in addition to dust being a motivation for CSI (section 5.2.3), it can also be seen as a reason for dissatisfaction. Vida said that the company does not care about the community because the mine would blast and cause chemicals and dust to be released without considering the community.

d) Concerns about past firm actions and strained community-firm relations

It was evident from most interviews that the relations between the community and PlatiOre are strained. Anlia indicated that the mine is not working together well with the community. When the community try to peacefully express their concerns, the mine will call the police to deal with them.

> *People go there to speak to the mine, peacefully without fighting; the police will be called even if they are not fighting. They will say that they don't want to see anyone in five minutes, and within five minutes the police will be there. And the police will just mess things up; they will beat people and shoot rubber bullets*. (Anlia, community activist)

Indeed, Community B has been in the media across the country as a result of a number of protests demonstrating community grievances against the mine. In the news articles, protestors said the mine offers little to benefit the community (Khan, 2015).

In September 2015, Community B residents took to the streets in what were the most violent and widespread protests in the community to demonstrate their frustrations with the mine on a number of issues (some of which are reported in this thesis). The concerns included, among other things, lack of transparency, accountability, and inclusion in decision-making processes (Pickering & Nyapiso, 2017). During the protest, more than 30 community members and a few

others were reportedly injured. Again, in 2016 protests continued in the area with protestors highlighting that the mine negotiated in bad faith, manipulated community structures, and used payments to the tribal authority to sow division in the community (Pickering & Nyapiso, 2017). All these demonstrate strained community firm relations that can affect their perceptions.

e) Perceptions about corporate wherewithal

Some participants made judgements on whether corporate performance on CSI is satisfactory or not based on their perceptions of whether the company has resources or not. Unlike in Community A where there was polarity in terms of whether Liquipetro has enough financial resources for CSI or not, Community B participants shared the sentiment that PlatiOre has enough financial resources to do more.

> *We know that the mine generates a lot of money. There is no way that the mine will not be able to provide bursaries.* (Siwal, Phakama beneficiary)

Meanwhile, when asked about why PlatiOre should implement CSI, Luthapo said that it is because they have the power and are financially able to do so.

f) Lack of trust - Corporate failure in fulfilling social agreements

As participants were making value judgements, they consistently mentioned that the mine has not met its obligations in respect of existing social agreements and promises made in those agreements. Participants consistently mentioned that the mine is not doing enough, if anything at all, considering the promises made to the community that were not fulfilled. Some believe that since the mine failed to deliver on previous agreements, they no longer trust the mine on delivery of anything for the community. There are two types of promises made by the mine to Community B: (i) Formal relocation/settlement agreement and (ii) Informal post- relocation promises.

- *Failed promises associated with relocation and settlement agreement*

As indicated earlier, residents of some villages in Community B were relocated in the early 2000s to give way to mining and for their safety. These relocations came with a number of promises of a better life stated in the relocation agreement. While some residents were willing to relocate for this promised better life, others considered these relocations illegal and forced (Phuhlisani, 2018). Hence, there were violent community uprisings during the time of the relocations. Consequently, negotiations were held and promises were made, leading to most households agreeing to move, and only a few resisting and staying behind (Phuhlisani, 2018).

This research found that when community members make judgements of CSI activity by PlatiOre, they always mention the inability to fulfil relocation agreements as a concern. Implicitly, their judgement (satisfaction or dissatisfaction) was influenced by how they feel about the fulfilment of settlement agreement.

> *The empty promises that were made were made by the mine. They were made by the time they were relocating people. We don't know if they were blushing or not, but one of the agreements was that they [relocated communities] will be given first preference when coming to employment or issuing of contracts for community developments, and all those things, you understand. And now we are sitting with 25 years of nothing having been done. If I can tell you that they [the community] don't even have water to drink or to bath.* (Siwal, Phakama beneficiary)

Inability to deliver on the relocation agreements has affected community trust in the mining company and its intention to create value for the community. Anlia indicated that the mining company made promises to the community in 1992 that it has not yet fulfilled. And as such, she does not trust that they will ever deliver on anything.

This lack of trust was also expressed by Rose, who said that the mine made an agreement with the community but in that process the mining house, through their lawyers, lied to the community. This means the mine did not negotiate the social agreement in good faith and they cannot be trusted.

- *Unfulfilled promises - unwritten*

Sometimes the participants made negative judgements while referring to failed promises in the recent past that are not attributable to the formal relocation agreement. These are rather unwritten promises made by the mine regarding its CSI interventions. As the mine fails to deliver, the community continue to lose trust.

> *You know ma'am, you will be ashamed of the projects [CSI projects] that they run in the communities. You will be ashamed. They are promising you this, tomorrow they change.* (Sashi, community activist).

In more specific terms, Vida explained that PlatiOre has promised them training through the Phakama programme, after which they will give him and others a loan to start their business. He said that he does not believe them because he heard through the grapevine that those who were promised the same thing in past years did not get what they were promised.

- *Reason for not keeping promises*

Participants expressed various opinions on the reasons for PlatiOre not fulfilling its promises. Some believe that the main reason the mine is not fulfilling promises made in the relocation

agreement is because the community does not have a copy of the full agreement document and the mine is taking advantage of that.

Siwal suggested that the reason why the mine is not keeping its promise is because the community cannot hold the mine accountable as they do not have a complete copy of the contract. He claimed to have a copy of a complete relocation agreement, which he intends to keep private.

> *Let me tell you one thing, this Master agreement has all the contents. So, the community is only given the part of the agreement which states that we are moving you from here to here and we will dig graves for you later, which is not binding to the mine. So, the community is not able to fight because they don't have that thing in writing, you understand.* (Siwal, PlatiOre Phakama beneficiary)

Others believe that the mine did not negotiate in good faith during the establishment of the social agreement and they lied to the community. Rose said that during the establishment of the agreement with the mine, the mine employed lawyers to run the negotiations with the community, and those lawyers lied to the community. The mine did this only for self-serving reasons.

Siwal suggested that the reason the people of Community B were cheated during the establishment of the contract is because the mines were dealing with uneducated people in the past.

> *So that is why I am telling you that whatever you want, we only need justice. Because when they [the mine] signed these things, they signed then; with people who were not able to read and write, you understand. They cheated your grandfathers.* (Siwal, PlatiOre Phakama beneficiary)

g) Lack of trust due to lack of transparency

Participants raised various concerns with regard to transparency, saying that the mine is not transparent about its social labour plans, the relocation agreement and the settlement agreement. Yet, these are the two documents that influence CSI in Community B. With regard to the mine's social labour plan (SLP), they said that the mine is hiding the plan from the community because the plan is not published where everyone can see it. Vida said that they requested a copy of the SLP, but the mine did not give it to them.

> *We as the community are not aware of their social labour plan. It is hidden, they have not published it where anyone can see it. We have been asking for it and they are not giving it to us.* (Vida, resident)

Also, with regard to the settlement agreement, participants reported that the mine has not been fully transparent with its commitments in the agreement. Siwal alleged that the master agreement has all the details, but the community was only provided with a portion of the contract.

Furthermore, Tumang said that the settlement agreement specified that 30% of each project must involve or benefit the community. But to date, it is not clear what the 30% entails. Meanwhile, it has been previously reported that the local tribal leadership is contributing to the lack of transparency on these matters. A report by Pickering and Nyapiso (2017) alleged that the Kgoshi (Chief) has for a long time kept a draft settlement agreement which has not been shared with the community. It was only in 2016 that Community B Executive Committee (a community representation body) heard for the first time about the draft agreement. What was clear however was that, according to the draft agreement, PlatiOre was supposed to pay an amount of R175 million to the community in settlement of certain legacy issues. However, the purpose of the agreement and full terms were obscure to everyone but the chief (Pickering & Nyapiso, 2017).

h) Perceived moral capability of a firm

Participants suggested that PlatiOre is not doing enough for the community because the company does not love or care for the community. Vida said that PlatiOre does not care about the community's wellbeing nor protects it from harmful effects of its mining activities such as dust and blasting shocks.

> *So, they don't respect the community and they don't love the community!* (Vida, resident)

He continued:

> *When we say you don't love a person, it's when you don't care about them; whether they eat or not, whether they have clothes to wear or not, whether they are well protected or not, you just don't care. So the mine has a serious problem to begin with. For example, the chemicals that they use in the mine, they blow the chemicals and they don't care whether we are affected by the dust or not. Our houses are cracking, and they still don't care. Whether our houses are cracking or not, they just don't care!* (Vida, resident)

Rose corroborated Vida's statement by saying that since the mine has succeeded in relocating the community, they no longer care. When asked about why the mine is not making an effort to discuss issues relating to its contributions to the community, she said itis because they have

managed to relocate the community so they can commence with their mining activity. They got what they wanted and they do not care anymore.

5.2.7. Challenges to CSI implementation

Community B participants indicated elements that create a landscape that is unfavourable for CSR developmental agenda. These include:

- Inadequate public consultation
- Lack of beneficiary involvement
- Corporate corruption
- Individual corruption
- Problems with leadership divisions
- Limited understanding of community needs

a) Inadequate public consultation

Participants reported that PlatiOre is not ensuring adequate consultation with the community when implementing its CSI projects. Some of the projects that PlatiOre has implemented in Community B include the establishment of an old age home and construction of boreholes at one of the schools. When talking about these projects, Vida indicated that the reason why these projects were not as successful is because PlatiOre did consult the community.

> *They have not consulted with the community to say "Come, let's talk about what we can do for you." We just saw the mine constructing something. Whether they agreed that with the Chief or with whomever; as the community we don't know. Another project involves boreholes in the schools. They have not consulted with the SGB [School Governing Body] or maybe they spoke to the Principal… you won't know; but as parents we don't know.* (Vida, resident)

Vida continued to explain that with regard to the old age home, given the type of community they live in, the elderly would not prefer to live in an old age home. He suggested that black rural elders do not prefer old age homes. Nevertheless, PlatiOre went ahead and built a home without consultation. Hence, the said old age home is allegedly empty.

In response to poor consultation by PlatiOre on some of the projects, Community B has launched a number of protests in the past. According to Pickering and Nyapiso (2017), in one instance, the mine announced that it would be constructing a new secondary school in Community B. The objective was to move the old school that was too close to the mine as the

mine wanted to use the site for waste dumping. The villagers protested as they felt that they were not informed or consulted. Despite the fact that the newly built school would be of better quality, the old school was of sentimental value as it was built using the community's own scarce funds (Phuhlisani, 2018). The protest disrupted mining operations for over two weeks. There was damage to infrastructure, and violence between protestors and police, leading to injuries and the arrest of 36 community activists (Pickering & Nyapiso, 2017).

Media articles reporting on community grievances also suggest that the community has been complaining about lack of consultation over the years. In 2015 Mokete said one of the community's key grievances is that it would like to be consulted about new developments.

> *We have some buildings that have been built by the mines, but we don't know who the mines have actually consulted. We just wake up one day and find people building something, but, in the end, we don't know who has been consulted.* (Mokete, interviewed by media reporter in documentary data)

- *Adequacy of community consultation channels*

Being a traditional community, consultation by the corporate with the community needs to follow particular channels. The generic channels in a traditional set up are that major community decisions need to be taken through the following structures (Phuhlisani, 2018):

- *Bakgoma*: Close group of elders - Kgoshi's (Chief's) immediate family.
- *Bakgomana*: Wider group of elders by ruling lineage.
- *Lekgotla la bakgomanale mantona*: As above, but including headmen.
- *Kgoshi le mantona*: Kgoshi and headmen of each kgoro (a largely kin-based territorial subdivision of the broader community).
- *Khudu-thamaga*: the headman's cabinet. These are the advisers to each headman or headwoman.
- *Pitso:* a mass community meeting to discuss important or contentious issues.
- Pitso ya Kgoro: Mass meeting at village level

Indeed, some participants indicated that for major decisions on CSI, the mine should engage the community through the tribal authority structures. However, participants mentioned that sometimes PlatiOre is short-changing the process by engaging only the higher levels in the tribal authority, neglecting the community inputs. Thus, most projects fail.

> *They take decisions with leadership. They make decisions with the headmen, with the political leaders, and that is one other reason that makes the projects unsuccessful.*

> *They don't consult and they make decisions in the manner that I have already explained.* (Vida, resident)

Siwal (Phakama beneficiary) added to Vida's comments by saying that as the community, they have headmen in each village who are responsible for calling "Pitso ya Koro" and ensuring proper consultation on CSI matters. She said that PlatiOre is not utilising such channels, instead they only consult the chief.

- *Lack of respect in community consultations*

For many traditional communities, there are unspoken but expected protocols on how to address the elderly. This was evident in this research where participants argued that when the mine engages the community they do it in a manner that leaves them feeling disrespected. When asked to elaborate on consultation issues they are facing with the mine, Vida (resident) said that the mine either fails to consult or when it does, it does so in a disrespectful manner. Sashi added by saying that when PlatiOre managers/personnel speak to the community, they talk to them with disrespect and with no humility.

> *And another thing that is very painful is the issue regarding the behaviour of the PlatiOre officials, the managers. How they talk to the people in Community B. They talk like a bush way. Like a bush animal. They talk to old people as if they are talking to youngsters.* (Sashi, community activist)

He continued:

> *They don't humble themselves when they speak to the community. I mean, that is important in this world.*

b) Lack of beneficiary involvement

Community B participants also conveyed that the absence of beneficiary involvement is an impediment to CSI project success. Unlike in Community A where beneficiary cooperation was presented at individual/household level, Community B residents presented two dimensions of beneficiary cooperation (i.e. individual level and community level cooperation).

At individual level participants noted that sometimes CSI projects fail because of the lack of decisiveness on the part of the beneficiary. Luthapo indicated that when he visited PlatiOre's Phakama offices to enquire about how he could benefit from the programme, he did not know what he wanted. When given options in terms of how the programme could help in his development, he was unclear and therefore could not benefit from the process.

So, the biggest problem is going there and not knowing what you want. Cause like if you don't know what you want, they give you options, a lot of options, that you have to choose from. (Luthapo, Phakama beneficiary)

At community level of commitment, participants mentioned the importance of community cohesion in benefitting (deriving value) from CSI projects. They mentioned that sometimes CSI projects get delayed or are not implemented at all simply because the community is divided and there is infighting. Thoka, (resident youth) said that when the community is not in agreement on what they want, the mining company will not be able to implement anything.

c) Corporate corruption

Similar to Community A, Community B participants alleged that firms use bribery and divide and rule tactics to avoid addressing community needs and demands. Sashi provided a narrative of his experience with PlatiOre corruption in relation to community matters. He alleged that as he was fighting for the rights of the community by soliciting social contributions from the mine and making the mine account for its promises, he was bribed by PlatiOre. He said that he was called to a meeting where he was given R20 000.00 in order to stop his activism.

I've been called to Naboomspruit, there's these…[incomplete sentence]. When I went there, they [PlatiOre] said it was a meeting. I said, "Let me come with someone because I want to be safe." I called some of my family, my brother here, we were three. We went there. What they did is, [pause] the money. And I took the money and continued fighting. They gave me twenty thousand in the envelope, I didn't know how much it was; they gave and they said, "We going to call you." I took it also, but I didn't know what it was. They said it was a message, but I found it was twenty thousand [Rands]. (Sashi, community activist)

It has also been alleged that in addition to using money to silence vocal community representatives (who are often seen as troublemakers), sometimes PlatiOre uses CSI projects as a means to bribe the community representatives. One participant said that sometimes if there is a need for PlatiOre to construct walkways (for example) as a contribution to the community, instead of taking the project through a bid process, they would rather appoint a vocal community member to implement it in order to silence him/her.

Anlia explained this divide and rule phenomenon further. She said that they (a group of entrepreneurs) approached PlatiOre requesting small business support, and PlatiOre simply employed their representatives, thus causing a division.

Ephora (resident, entrepreneur) also alleged that the mine is generally infested with corruption. Talking about Phakama, Ephora expressed great dissatisfaction with the programme. He said that following their participation in the programme, they expected to get business opportunities within PlatiOre, but such is not happening. He said that this is partly because corrupt individuals in the mine manipulate the process in favour of their allies.

d) Individual and community leader corruption

Participants highlighted that there are individuals (mainly community leaders from the tribal authority) that are corrupt and seek to enrich themselves at the expense of meaningful CSI contributions. Thoka explained that people who are supposed to represent the community often tend to lose focus and resort to enriching themselves instead of serving the community. He provided the following example:

> *I think you may also be aware of this because it happens everywhere, right. Sometimes in the community you have people who are supposed to be our representatives. But as they do that, they are focusing on enriching their pockets, you see. For example, if the community wants the mine to erect a fence around the cemetery, the representatives will tell the community that the fence will not be done for free, and they will suggest that their business is involved in the erection of the fence.* (Thoka, resident youth)

In support of these allegations, a case study by Pickering and Nyapiso (2017) in the same community (Community B) reported that the former Chief [anonymised] has been personally benefitting from contracts with the mine, a clear conflict of interest. Furthermore, his mother Queen [anonymised] entered into a surface lease agreement and has been receiving rental proceeds without accounting and sharing such with the community.

Indeed, the issue of corruption in traditional leadership in respect of mine/corporate contributions to the community has been questioned in other areas of the country. Drawing from the example of the Royal Bafokeng in the North West Province, Pickering and Nyapiso (2017) questioned whether the corporate investments made were beneficial to the community at large or were limited to creating royal riches. This question arises because, it was argued that in the case of Royal Bafokeng, the chief is the CEO of the community trust to which mines/firms make social investments. In such instances where a chief benefits financially, he can be driven by accountancy more than accountability and by profits more than sociomoral needs (Comaroff & Comaroff, 2009, in Pickering & Nyapiso, 2017).

Corruption in traditional leadership is supposedly encouraged by the erroneous notion that traditional leaders are the ultimate decision makers on matters relating to the land they rule

(Pickering & Nyapiso, 2017). This is despite the fact, that according to the South African Constitution and Customary law, traditional leaders' scope of power is limited. These laws entitle all citizens (including those led by tribal authorities) to procedural and substantive rights (The Constitution of the Republic of South Africa, 1996), which means that the community has a say in decision making and on benefitting from their land.

e) Problems with leadership divisions

Being a traditional tribal-led community, the tribal authority plays a crucial role in CSI programme implementation. The results of this study suggest that this form of leadership has affected progress on CSI as a result of royal feuds. Community B has been in the spotlight due to chieftaincy contestations regarding who is the rightful chief of Community B. These disputes saw the matter presented to the Commission on Traditional Leadership Disputes and Claims in 2013 and was only resolved in 2018 with the appointment of Laha as Kgoshi (chief), dethroning Kgosi Dala. According to participants, such divisions in leadership had a negative impact on CSI and value creation. This is because when the community requires certain programmes to be implemented by the mine, the mine has to engage the chief. In the absence of clarity on the monarch, and the subsequent transitioning from one chief to the other, these programmes become difficult to implement.

> *You see a lot of things got confused because of the transition of the Community B Chieftaincy. There was a handover and a lot of disturbance. So things were not smooth because information was not moving smoothly. You may find that there are some things that we can approach at the mines, but that information has to be submitted to the chief. There are some things that they have to communicate with the chief about, but that is not running smooth, you understand.* (Manga, resident)

These changes in chieftaincy often cascade down to headmen levels. Thoka explained that he perceives that the reason other villages are not getting enough social contributions from PlatiOre is because they have divided leadership at headmen level. In particular, they have two headmen instead of one, which divides the community. This makes it difficult for them to show power when they approach the mine.

> *In my opinion, and also based on what I heard, other communities, like other villages, are not getting more, like a little bit more [social contributions]. Like other communities don't get learnerships due to the fact that they have two Headmen. They have tribunals; do you understand me when I say tribunals? For example, the community is divided into two groups even though it's the same community.* (Thoka, resident youth, learnership holder)

These chieftaincy woes have, according to participants, affected communication between the community and the mine. This has further negative consequences on the mine's ability to make CSI contributions.

f) Limited understanding of community needs

Participants insisted CSI projects fail because firms do not understand community needs and do not deliver according to such needs. They indicated that one of the reasons the greenhouse project, implemented by PlatiOre as part of its CSI, failed is because they did not implement it according to what the community said they wanted. The community needed assistance/funding to plough and cultivate existing farm land, but PlatiOre funded the community greenhouse agriculture instead.

> *We said to them that we have a big area, that we have big farmlands that we want to plough and that we wanted to hire people and have people coming together and plough it. We have shown them the place but they are refusing, they are telling us about agriculture in "seilas" [greenhouses]. When we tell them about what we want, they give us something else. When we talk about a nail, they tell us about elbows.* (Sashi, community activist)

Siwal further explained that there are specific projects that the community needs, but the mine is not making an effort to engage the community to understand such needs. He said that the manner in which the mine identifies community needs is flawed; the mine simply approaches a particular person and asks for what they think the community wants.

5.2.8. Suggested areas of improvement

Participants were asked about what they would do differently to ensure the success of CSI projects. They mentioned monitoring and evaluation as the one thing that should be considered to ensure that communities are satisfied.

a) Monitoring and evaluation

Vida said that one area of improvement would be on monitoring of progress and achievements made. He suggested that there is a need to appoint a team of individuals whose job is to monitor programmes to ensure delivery according to what was agreed on with the community. He said that would be the one way of ensuring that the community is satisfied.

> *I am saying this because without monitoring, people will not stop crying because the people that you hire to do the work can drag their feet in delivery of projects. So it is*

important to monitor the projects to ensure that they are implemented correctly. (Vida, resident)

Tumang also indicated the mine must not only be concerned with its operations and profits, but must also consider what they have achieved and take stock of what they have accomplished in the project (referring to the Phakama project). He suggested that post-project cycle, PlatiOre must engage beneficiaries to see if there was value.

5.2.9. Causes of CSI success

In addition to asking about challenges, Community B participants were also asked to identify areas where PlatiOre is doing well in terms of its CSI. The only success reported was with respect to contractor competency, as shown below.

a) Contractor competency

Participants indicated the issue of contractor competency as key to the success of projects. When asked about how he rates the Phakama project, Tumang indicated that he has only been there for few months but he would give it a good rating because he believes that the implementing agents contracted to train entrepreneurs are doing a good job. He said that they are bringing adequate (competent), business-mined personnel to do the training.

Tumang's statement was corroborated by Luthapo, who indicated that the team hired to run the Phakama programme is doing well. He noted that they are the ones making the programme successful.

5.2.10. Summary of Community B case study

Overall, the Community B case study revealed in-depth understanding of community perceptions regarding CSI processes, antecedents and outcomes. Firstly, the case provides an understanding of the processes leading to CSI project inception from the lens of the community. In terms of approach to CSI, Community B residents suggested that PlatiOre only deploy reactive approaches, often influenced by social unrest. Secondly, the community highlighted the reasons (antecedents) for CSI. They suggested that PlatiOre must implement CSI projects for the losses incurred as a result of mining activity (trade-offs); for economic reasons (to avoid social unrest with economic consequences); and moral reasons (because it is the right thing to do). Moral and historical injustice reasons were not reported in this case. Thirdly, the community expressed satisfaction with the outcomes of CSI at project and company level. Alongside their satisfaction expressions, they provided reasons for their satisfaction or otherwise. These reasons included geographic contrasts (comparing what they

get from PlatiOre with what other communities are getting), losses incurred by the community, perceived financial capability of a firm, poor community-firm relations, lack of trust and whether they perceive that a firm cares or not.

Finally, this case highlighted the challenges and successes facing CSI implementation. Community members provided their perceptions about matters that make CSI programmes fail in their jurisdiction. These include: inadequate public consultation; lack of beneficiary cooperation; corporate corruption, individual corruption (mainly traditional leaders), problems with community leadership divisions and limited understanding of community needs. Additionally, participants reported elements that make CSI programmes successful, such as monitoring and evaluation and competent service providers/contractors. Participants also provided their views on what can be done to improve the situation in light of prevailing challenges.

5.3. Within case Analysis: Community C, Southern Province

5.3.1. Case description

Community C is one of the largest townships in South Africa, located in the Southern Province. The township was established in the 1950s when black people were evicted from Johannesburg (Edenvale) and Kempton Park to reserve such areas exclusively for occupation by whites during apartheid. As at 2021 Community C was home to over 450 000 people (Frith, 2021).

Demarcation: As the township developed over the years, various subplaces of the township were established. Such development takes place in two ways: one is through the city council declaring residential areas or building low-cost housing, and the other is through informal/unauthorised occupation (land invasions) by people. Currently there are more than 60 subplaces in Community C (Frith, 2021).

Political history: Community C's township has a rich history of political activism. Under repressive times, the township had one of the strongest and most influential groups of Black Consciousness proponents who helped to revive and shape politics in the township in the 1970s (SAHA, 2021). The political activism in Community C was influenced by those who were forcefully removed from the Johannesburg area to Community C. This activism was evident when secondary school students joined their Soweto counterparts a day after the student uprising erupted in Soweto; and when in the early 1990s violence erupted in the lead up to the first democratic elections (SAHA, 2021).

Visual setup: Community C hosts a mixture of both formal housing and informal houses that are known as shacks. Shacks are very tiny houses made of various materials such as wood, corrugated iron and plastic. Usually, people erect shacks on land that has not been declared residential by the city council. In essence, they are established as informal unauthorised settlements by people wanting to reside closer to their area of work to minimise transport costs. Shacks are typical in Southern Province because as people migrate from other parts of the country to look for career and work opportunities in Johannesburg and surrounds, they find themselves not having enough money to buy or rent adequate housing structures. Consequently, they find themselves living in shacks in informal settlements. Because these settlements are not recognised by the city council, they lack service delivery and they experience serious water and solid waste pollution.

Socioeconomic conditions: People living in Community C are at different levels of socioeconomic status, evident by the different housing structures. There are no socioeconomic statistics reported specifically for Community C in the census data. However, it was clear that Community C also faces a number of social, economic and developmental challenges. Such challenges were depicted during the interviews, where participants raised the following:

- Youth that cannot access further education post-grade 12;
- High levels of unemployment;
- Drug abuse; and
- Crime and lawlessness in some parts.

Study participants: In Community C, 10 participants were interviewed. All participants were youth that had benefitted from the Youth Development Programme (YDP) and only one participant was a former employee at the YDP hub. The YDP is a multi-corporate-led programme aimed at addressing youth unemployment in the country. The YDP has a hub in Community C where they are equipping the youth with, among others, Information Technology (IT) skills, business development and marketing skills. The hub also recruits some of the youth for 12-month apprenticeships with a view to providing them with work experience.

The YDP is the only CSI programme being implemented in Community C. As such, only those that participated in the programme were interviewed. This is because the purpose of this study was to understand perceptions based on experience. This limited study participation to youth (under 30s). The following sections present findings from this case.

5.3.2. Community understanding of approaches to CSI

Unlike in Community A and Community B where participants provided their understanding of value creation processes, either as ad hoc processes, multistakeholder/multisector processes or tribunal processes, Community C participants had very limited understanding of corporate approaches leading to CSI programme implementation. Instead, they were only able to explain that YDP is a result of Public Private Partnership (PPP), which means collaboration between the public sector/government and the private sector (business), as explained below.

a) CSI implementation as a PPP process

Some participants said that the YDP was established as a partnership between government and firms to empower youth by providing them with one-year work experience to enable them to get jobs. However, participants were not unanimous in terms of who was at the forefront of the programme from conception. Som said that the YDP is corporate-led, supported by government; while Elizma said that the YDP is a government initiative sponsored by firms.

b) Uncertainty in process understanding

Besides the two participants who had some understanding of the YDP as a PPP, as shown above, most of the participants were very uncertain about how the YDP programme was conceptualised or formulated by the companies involved. When asked, participants had various opinions which they expressed with great uncertainty. Some said the project was established by shareholders of big companies. Another said it was a concept by one of the community members who saw the need for a project of this nature. Yet another one said the YDP is an NGO designed to help with youth employment. Others said that it is Ramaphosa's (the South Africa president) project.

> *YDP project? Err [pause] up to so far ma'am, I can't explain my understanding of how it came about. But briefly it came here through err [pause] the people who started it are shareholders. It did not come with one person. It came with shareholders. They sat down and planned something like this.* (Frikkie, former employee of YDP)

> *I wouldn't say I know but I think the community members mainly, or someone who grew up within the community, saw the need to have something of this nature here.* (Khutso, YDP beneficiary)

> *YDP is basically like an NGO company, I think. Yes. Yeah I think, if I am not mistaken.* (Anconco, YDP beneficiary)

I would say, because there on the pamphlet [pause] what I have read [pause] I think it's Ramaphosa's project. (Anconco, YDP beneficiary)

Although participants were not able to explain how the programme came about, they were able to articulate its value proposition. They were very clear that the YDP helps youth find jobs by educating them how to create CVs, undertake an interview and search for job opportunities. The programme also provides technical skills through computer training and 12 months on-the-job experience. Participants were also able to easily articulate the process of being accepted in the programme as a learner, which includes the following steps:

- Make an enquiry and register on a database;
- Undertake a psychometric test to test skills;
- Wait for an opening;
- Attend the workshops and training;
- Remain in the database for any internship openings; and
- Get a 12-month internship (if selected).

The process explained by participants is congruent to a detailed process presented on the YDP website, as shown in Appendix 5 of this report.

5.3.3. Participants' expressions of reasons for CSI

Unlike in Community A and Community B where participants mentioned various reasons why companies should implement CSI (from moral to justice reasons), participants in Community C only mentioned moral reasons. They basically said that firms should engage in CSI because it is the right thing to do in the face of current socioeconomic challenges. For example, when asked why firms should engage in CSI Asiye said:

Just to help other people who want to reach the same standard. Remember "isandla sigeza esinye" [each hand washes the other]. I also think that there will be a lot of people that can create jobs and this will eradicate the unemployment rate if such things happen [CSI programmes like YDP]. (Asiye, YDP beneficiary)

Several other participants supported Asiye's statements by saying that firms should help in the community and help the youth shift from destructive behaviours resulting from lack of employment, especially for those that are enthusiastic.

5.3.4. Community judgements of CSI - project level

Similar to other cases, Community C participants made value judgements about the YDP project performance by expressing negative and positive judgements regarding project

outcomes and project impacts. Participants expressed their positive judgements by reiterating the ills or shortcomings they suffered before the programme and how the programme has helped them.

a) Positive project value judgements

Som mentioned that this programme has not only changed his situation from unemployed to employed, but it further enabled him to open his own farm and own company. He said that he learnt a lot from partaking in the programme.

> *As I tried to mention, I was actually unemployed previously before I actually became part of the programme. So, I was like unemployed for like 4 years. So, the impact in my life is a very huge one if you ask me because it was actually my first formal job and I was able to make a lot of changes. I learnt a lot. I got to open my own company; I got to run my own farm. So, it was a big deal.* (Som, YDP beneficiary, entrepreneur)

Participants also mentioned higher order impacts associated with their positive judgements. For example, Anconco, who is a photographer, explained that he did not know anything about IT, but after attending some courses offered as part of YDP, he was equipped with IT skills that helped improve his photography skills and business. Learning from the google digital marketing course offered by the YDP enabled him to get more online hits and consequently his revenue has increased. Similarly, Nonke explained that being part of the programme has not only afforded him a job, but he is satisfied with the fact that he can make food contributions at home.

As with other cases, participants did not only make positive judgements based on pre-post comparisons of their social and economic circumstances, but also based on absolute project performance. They said that the YDP is commendable because even if they do not get jobs afterwards, the fact that they have acquired skills and a certificate makes them feel accomplished and ready to go job hunting on their own. Ndeke said that the programme gave her a better perspective on life, changed her way of thinking and that she now has a vision about her life.

> *It gave me a better perspective in life, I now know what I want in life. Now I know that I should not spend my time concentrating on friends. It has really changed my life. It has changed my way of thinking.* (Ndeke, YDP beneficiary)

She continued:

When you are there [YDP hub], you grow and you start having a vision. You don't have to wonder about what you have left behind, you feel something new, you feel something different. (Ndeke, YDP beneficiary)

b) Negative project value judgements

On the negative side, some expressed absolute dissatisfaction with the fact that following the one-year internship offered in the programme, the YDP is not taking one step further to assist ex-participants with full time jobs. Frikkie and Gift expressed their dissatisfaction as follows:

The problem is that they [YDP operators] do not assist with job placement. So you only gain experience, you come there, and they place you. The rate of unemployment has not changed. That's from my opinion. The way I see it from my side, there is no change. (Frikkie, former employee of YDP)

What I don't like about YDP is that, like let's say they employ 20 ladies neh, for learnership for 12 months. What hurts me after that is that after 12 months it's over. Let's say with that they hired 20 [ladies], like, [after 12 months] they no longer work for YDP. (Gift, YDP beneficiary)

5.3.5. Community appraisals of CSI - Company level

Unlike in Community A and Community B, Community C participants were not able to express their satisfaction with CSI at company level. Instead, they were only able to make judgements at programme level. This is because, as already mentioned, YDP is the only programme being implemented in Community C owing to the historical norm of having CSI only implemented for fenceline communities. Furthermore, because Community C is not a *fenceline* community, the community does not have regular interactions with any of the companies that are involved in the implementation of the YDP programme. In fact, most people that were interviewed are not even aware of which companies are responsible for the YDP; hence, they could not make company level judgements.

5.3.6. Community reasons for satisfaction/dissatisfaction with CSI

Unlike in Community A and Community B where participants provided a myriad of reasons that influenced their (dis)satisfaction, Community C participants only mentioned two reasons, i.e:

- Corporate failure in fulfilling promises
- Perceived moral capability

a) Corporate failure in fulfilling promises

Participants were dissatisfied with the manner in which the “IntimateCare” project - a sanitary pads production unit of YDP - did not fulfil promises made to its beneficiaries. Gift, who is a YDP IntimateCare beneficiary, indicated that upon recruitment at IntimateCare, they were promised ownership of the business after 12 months. But to date, it is not clear whether the promise will be fulfilled or not.

> *They said, when they introduced this business, the one of making sanitary pads, like I said, it’s from India. They said when they introduce it [incomplete statement]. They hired 12 ladies and said that 12, after 12 months we will be owning this business, of which our 12 month is finishing now in May. We are in lockdown now, we haven’t signed anything showing that we are going to own the business or what, you see!* (Gift, YDP beneficiary)

Indeed, in a media statement made by the Managing Director (MD) of YDP, (Arnoldi, 2019), the MD confirmed that the selected YDE beneficiaries (14 ladies) were trained and mentored to take ownership of the IntimateCare business.

Asiye also raised a similar concern regarding promises made under CSI programmes. She said they were promised that after training and receiving a certificate of competence in IT from YDP hub, they would get assistance in job placements. He said it has been over a year now and the promise has not been fulfilled.

b) Perceived moral capability

Participants expressed satisfaction by making reference to the care received from engaging YDP programme administrators. Ndeke mentioned that the reason she is satisfied and happy with the programme is because the administrators are kind and considerate.

> *YDP, they’re very good and very kind. I went there and registered. They helped me register, [I] took computer lessons. They are very patient. If you don’t understand anything, help is there. They don’t get tired*. (Ndeke, YDP beneficiary)

5.3.7. Challenges to CSI implementation

Participants presented various implementation challenges facing the YDP programme in Community C. These included the following:

- Lack of beneficiary cooperation
- Individual corruption

- Contractor incompetency

a) Lack of beneficiary cooperation

Community C participants also indicated that sometimes beneficiaries are not capturing value from CSI because they are not cooperative or committed. Gift said that the reason why some youth of Community C are not getting the best out of the YDP programme is because they are too lazy to seek information on how they can be assisted and developed.

> *Some people are only lazy to look for information. Instead they sit and want things to come to them, yet things cannot come to them. So, that is why things fail sometimes.* (Gift, YDP beneficiary)

Meanwhile, Ndeke explained that when youth job opportunities arise at YDP, management will identify those that demonstrated commitment to the programme and they will be the ones considered for such opportunities. Thus, where there is no commitment on the part of the beneficiary, there will be no value capture.

a) Individual corruption

In Community C, there has not been corroborated perceptions of individual corruption. Only one participant indicated that he suspects that there are programme implementers who are interested in enriching themselves. He said that, according to his understanding, each year shareholders of contributing companies dedicate a budget for the YDP, but the person placed in charge of programme operations can sometimes focus on their interests instead of focusing on community service.

> *So the problem is the money you see? Yeah! You see, so those shareholders each and every month or every year they make budget available. There is a budget from the head office. Err… so they just take each and every one [anyone], "Hey man, go and operate this thing." And when he arrives here as an operation, he looks at his interests.* (Frikkie, former employee of YDP)

b) Contractor incompetency - operations management

Several participants explained that although the team/staff working at the YDP is doing well in terms of training and client service, there are serious problems in terms of operational management of the hub. They indicated that the hub is not well managed, to the point that there has not been electricity for months due to the hub being illegally connected to the

electricity supply system. Others said that the place is not always as clean and organised as it is when there are planned visitors.

> *If they can manage this thing [the hub] the way they are managing it, I am telling you before, after two to three years it won't be there.* (Frikkie, former employee of YDP)

Such poor operations tend to affect value creation because when there is no electricity, for example, beneficiaries cannot access computers for IT training. Similarly, other businesses at the hub such as IntimateCare sanitary pads manufacturing cannot operate. Frikkie said that the reason operations are not well managed is because top managers of the programme reside at head office, far from the operation itself. Hence, they are not privy to how the place is run on a daily basis.

5.3.8. Suggested areas of improvement

a) Monitoring and evaluation

Similar to Community B, participants proposed that for a programme like this to continue being effective, there has to be regular monitoring and evaluation. Som said that if he was to do more for the YDP, he would make follow-ups on the programme to see if it is making the intended impact.

> *If I was most companies, I would actually do, maybe follow ups. If [to see if] the money is actually being used for what it is supposed to be used for and just put some sort of managerial structure to that. Maybe like report each month, a few visits, like regular visits to actually see if the funds that are being allocated … the way they are supposed to be allocated because in such big projects, I mean there is a lot that can happen.* (Som, YDP beneficiary, entrepreneur)

He further emphasised that companies must not only make contributions to CSI in order to score Black Economic Empowerment (BEE) points, rather, they should monitor and follow-up on their investment. He said that they should make regular (and sometimes unannounced) visits so that as investors they can see what is happening on a regular basis.

> *So, like you know weekly visits, monthly meetings, just [pause] do regular follow up on your investment, don't let it be about you earning your BEE score and then you are out of it.* (Som, YDP beneficiary, entrepreneur)

Monitoring and evaluation (M&E) was recognised as an important factor, especially for novel projects that require early identification of areas of improvement. In this regard, participants

suggested that M&E will provide opportunities to learn from mistakes and make continuous improvements. Som explained that this is a new project (the first YDP hub in the country) and that there are lessons to be learnt for future programmes.

5.3.9. Causes of CSI success

Participants in Community C presented their opinion on elements that make the YDP programme a success. They mentioned that the YDP personnel understand community needs and that the programme is continuously making improvements, all of which make it a good programme.

a) Understanding of community needs

Participants indicated that YDP is successful because the programme personnel understand community needs. Unlike Community A and Community B, Community C participants did not suggest various ways in which community needs could be understood. Instead they only indicated that by employing local people at the hub, the YDP is able to address social needs because local people understand community needs better.

> *Mostly, whoever they employed is actually based in the community. So, me [or any person] staying here [in Community C] and working there for YDP, I know what my community is facing.* (Ancoco, YDP beneficiary)

b) Continuous improvements

Ndeke believed that the programme is doing well and creating value because there are continuous improvements. She explained that at one point participating students were using pre-recorded video (with headphones) for training. However, more recently, improvements have been made by providing a physical lecturer, which gives beneficiaries more depth in the subject in which they are trained.

5.3.10. Summary of Community C case study

Overall, the Community C case study provided understanding of community perceptions regarding CSI processes, antecedents, and outcomes. However, the Community C case did not provide nuances in terms of community-firm dynamics in relation to CSI. This is because Community C is not a fenceline community (in contrast to Community A and Mapala) and therefore the community does not have regular interactions with any of the companies that are involved in the implementation of the YDP programme. Nonetheless, this case was important

to highlight the difference in community perceptions between fenceline and non-fenceline communities in South Africa.

Firstly, regarding process understanding, unlike in Community A and Community B where participants provided their understanding of value creation processes either as ad hoc processes, multistakeholder/multisector processes or tribunal processes, Community C participants had limited understanding of corporate approaches leading to CSI programme implementation. Instead, they were only able to explain that it is a result of Public Private Partnership (PPP). which means collaboration between public sector/government and private sector (business).

Secondly, the community highlighted the single reason (antecedents) for CSI as moral reason. They suggested that the only reason they believe firms should make community contributions is because it is the right thing to do in the face of current socioeconomic challenges faced by youth in the country.

Thirdly, the community expressed their satisfaction or dissatisfaction with the outcomes of CSI at project level only. This is because of their *non-fencelineness*, described above, and because YDP is the only programme being implemented in Community C owing to the historical norm of having CSI only implemented for fenceline communities. Alongside their satisfaction expressions, they provided reasons for their satisfaction or otherwise.

Finally, this case highlighted the challenges facing CSI implementation. Participants provided their perceptions about matters that make the CSI regime and CSI programmes fail in their jurisdiction. Elements such as lack of beneficiary cooperation, individual corruption, and contractor incompetency were highlighted, and areas of improvement were suggested. Community members also mentioned elements that contribute to making the YDP a successful initiative. These include understanding youth needs and continuous improvements in programme offerings.

5.4. Summary of Chapter 5

This chapter presented findings from one-on-one interviews and documentary data analysis for each of the three cases: Community A, Community B and Community C cases based on categories derived from Atlas.ti. These findings suggested that the different communities have varied understandings of approaches used by firms to implement CSI initiatives. In this regard, different communities mentioned that firms deploy either reactive processes, proactive approaches, or both.

Findings also suggest that communities have various understandings of why firms should engage in CSI initiatives. These range from economic reasons, social reasons, moral reasons and justice reasons. Some of the reasons provided by these communities are similar, while others are different. These similarities and differences are detailed in Chapter 6, below.

The findings further illuminated the communities' satisfaction and dissatisfaction with the outcomes of CSI and the reasons for such. These reasons varied across cases but included geographic contrasts (comparing what they get with what other communities are getting), losses incurred by the community, perceived financial capability of a firm, poor community-firm relations, and lack of trust in the firm.

Lastly, challenges facing CSI implementation and success in respective communities were highlighted. These included, among others, local government inadequacies, inadequate consultation, corruption, and lack of monitoring and evaluation.

Chapter 6 : Cross-case analysis

This chapter compares different cases based on the themes generated from categories presented in Chapter 5. Following best practices of creating themes for cross-case analysis as laid out by Johnson (2014), Saldana (2013) and others, the researcher critically examined codes and categories to derive conceptual elements of theory. The themes developed for cross-case analysis themes are different from categories presented in the previous chapter because:

(i) Each theme presents a group of categories that explain a recurrent experience and its variant manifestations (Saldana, 2013).
(ii) While a category is a word or a phrase, a theme is a phrase or sentence that describes the process, pattern, trend or interpreted aspects of a phenomenon (Saldana, 2013). It identifies what a unit of data means.
(iii) Unlike categories that are solely influenced by data, the grouping of categories into a given theme is influenced by the researcher's discipline and research topic, which is why researchers in different disciplines may generate different themes from the same data (Emerson, 2003; Johnson, 2014; Saldana, 2013).

Although there are various ways in which themes can be identified (Ryan & Bernard, 2003), this research developed themes based on (i) Repetition of ideas across various cases, (ii) Similarities and different expressions by participants for one phenomenon, (iii) Theoretical issues suggested by data, as well as (iv) Matters that are present in one case but missing in another case.

Consequently, this research generated 11 themes. For the purpose of guiding the reader, these themes were integrated into theme clusters to enable a coherent narrative (Saldana, 2013). Research questions were used as guidance for the generation of theme clusters, whereby different themes that are relevant to each of the research questions were clustered together. These theme groups of high-order themes are explained in the following paragraphs:

Table 4: Grouping of categories to themes, guided by research questions

Research question	**Categories (grouped – see Table 3)**	**Category group description**	**Theme clusters and themes**
RQ 1a: How do communities construct their understanding of value creation processes?	Approaches to CSI programme implementation • Approach_Multistakeholder approach	This category group contains data depicting various ways in which communities understand processes of value creation (CSI approaches).	**Perceptions about approach to corporate social responsiveness** Theme 1: Different ways in which communities perceive social value

	• Approach_Ad hoc requests • Approach_intra-community structures • Approach_unknown/known by few		creation approach or social responsiveness. Theme 2: Different awareness levels of social responsiveness.
RQ 1b: How do communities make social value judgements?	• Community appraisal of CSI-programme level	Participants make positive and negative judgements of CSI programmes.	**Social value judgements at firm and programme level** Theme 3: Various qualitative ways in which communities make social value judgements.
	• Community appraisal of CSI-company level	Participants make positive and negative judgements at broader company level.	
RQ 1c: What elements influence communities' value judgements?	• Community reasons for satisfaction/dissatisfaction with CSI	Participants provide reasons why they are satisfied and dissatisfied with firms' CSI	**Reference states that influence social value judgements:** Theme 4: Various external benchmark reference states used in value judgements. Theme 5: Various internal aspiration reference states used in value judgements.
	• Participants' expressions of CSI rationale	Participants present reasons why they believe firms should engage in CSI	
RQ 1d: What do communities identify and interpret as the elements or factors contributing to value creation?	• Challenges to successful CSI. • Suggestions for improved CSI regime and programme implementation. • Participants proposed interventions that can be put in place to improve CSI in their communities.	These categories contain data about challenges that negatively affect CSI, elements that communities consider as important for positive outcomes and their proposals to either address the negatives or enhance positive outcomes. All these constitute factors that are important for the success of CSI implementation because they either affect the process or projects negatively or positively.	**Factors that influence social value (creation, capture, sustenance).** Theme 6: The multidimensional, multidirectional impact of local government involvement on social value creation. Theme 7: The impact of understanding variable community needs on social value. Theme 8: Quality of community engagements. Theme 9: The impact of beneficiary involvement in co-creation on social value creation. Theme 10: The impact of post-intervention custodianship (and

			custodian capabilities) on value sustenance. Theme 11: The impact of corruption on value creation.

Lastly, this chapter discusses the findings of this research in relation to existing literature. This is done by identifying where this research corroborates, challenges or expands existing theories on stakeholder value, social value and social performance.

6.1. Perceptions regarding approaches to social responsiveness

This cluster contains themes that explain various ways in which participants explained their understanding of how CSI projects come to be implemented in their communities or what is referred to here as firms' approaches to social responsiveness. The themes were generated from the researcher's cross-case analysis which suggested that different communities have different levels of understanding of firms' social responsiveness.

6.1.1. Theme 1: Different ways in which communities perceive the social value creation approach or social responsiveness

Findings of this research suggest that different communities and different individuals in the same community will have different perceptions and understanding of the corporate social value creation approaches or the approach to social responsiveness. That is, there are both intra- and inter-community differences in process understanding.

In Community A, for example, participants explained two different approaches that they understand Liquipetro uses to implement CSI. Firstly, some participants mentioned a *reactive* ad hoc process where any individual can approach the firm with a concept or funding proposal. Such a proposal will be evaluated and funding may be provided. Secondly, others understood that firms can also use a *proactive* multisector analysis approach led by a committee, where community needs are identified for various sectors through sector champions. Once the needs are identified, the committee will deliberate and give approval.

In Community B, it was indicated that the approach to CSI by PlatiOre involves only a reactive ad hoc process, where individuals can approach the company requesting social interventions, usually through elected community representatives. The company will then review the proposal and may approve it for funding. This is despite the fact that PlatiOre has an SLP (published online) (PlatiOre, 2017). The generic process for developing an SLP as per NPRDA requires

consultation with communities, which means that the SLP development should have followed a proactive consultative approach. Nonetheless, participants indicate that they were not consulted, nor do they have access to the SLP.

It was also highlighted in Community B that sometimes the reactive approach to CSI programmes in Community B is triggered by social unrest; as PlatiOre will only implement CSI under the pressure of community protests. However, even after unrest, the company may still decide not to act. Documentary data has shown that unrest can have detrimental consequences for business, resulting in mine closures for a number of days, inevitably resulting in profit losses. Hence, the ad hoc approach by PlatiOre can be seen as a means of risk mitigation.

Lastly, in Community C, participants did not have an understanding of the underlying processes that led to the implementation of the YDP. They only understood that the project is a Public Private Partnership. That is, a collaboration between government and private sector aimed to empower youth by providing them with one-year work experience to enable them to get jobs.

The different approaches and processes as understood by different communities are outlined in Figure 7 below.

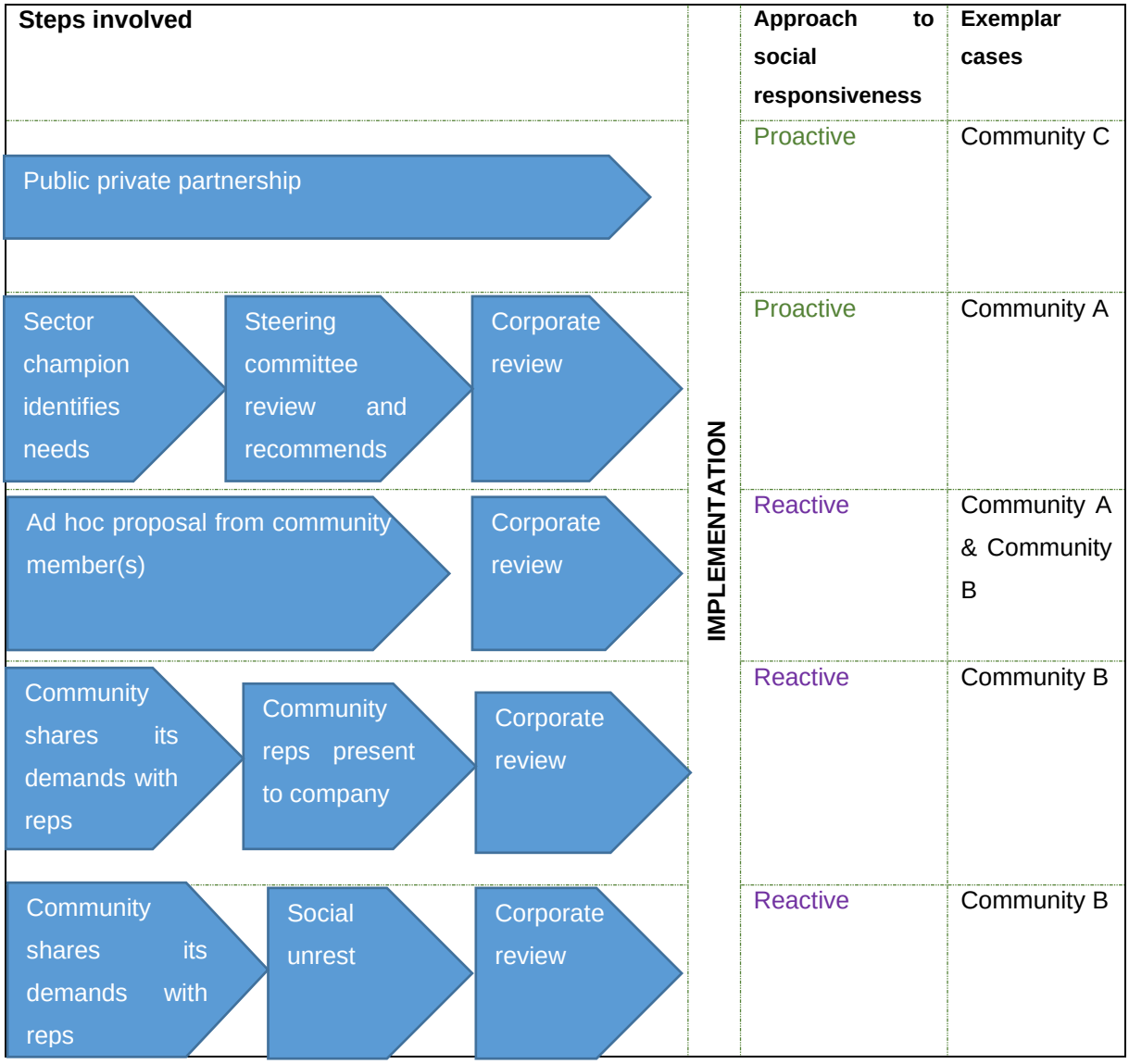

Figure 7: Community understanding of processes of social responsiveness by their local firms

The above cross-case analysis suggests that companies in general adopt either proactive and/or reactive approaches to CSI programmes. Liquipetro was reported to be using both reactive and proactive approaches, PlatiOre is seen as taking a reactive approach, while companies involved in the YDP are seen as being proactive. Proactive approaches described by participants involved firms making an effort to understand community needs prior to CSI project implementation. Reactive processes, on the other hand, entailed either communities making peaceful ad hoc requests by submitting proposals through representatives, or communities protesting against the firm's inaction. In the latter, CSI response is used as a risk mitigation measure.

There was no clear indication of which approach is preferred by the community because participants were only asked how they understood firms' CSI approach, and they presented

either of the abovementioned approaches. However, one could deduce from the tone in the interview that reactive approaches are not preferred. For example, some participants raised the issues that ad hoc processes are only known by a few individuals in the community. When Motli talked about Liquipetro's reactive approach, he said that "*there are only a few individuals that know the correct procedures/system to follow when approaching Liquipetro [for CSI interventions]*". In Community B, Manga did not sound impressed when expressing the fact that PlatiOre will only implement CSI projects after protests and said that the mine is only concerned about its benefits.

Literature on CSI has only recently attended to the significance of having a proactive social strategy prior to CSI implementation (Husted et al., 2015; Husted & Allen, 2009), instead of implementing CSI projects simply because there is a budget for it. Husted et al. (2015), for example, argued that corporate social strategy, which comprises social planning and social positioning (proactive response to social issues compared to competitors), have a positive impact on value creation for the firm. This proactive process entails, among other things, (a) clearly defining a programme and agenda for social action and (b) measuring outcomes of programmes (Husted & Allen, 2006). In these articles, however, Husted and colleagues highlighted CSI approaches that firms should consider in order to improve shareholder value, and not other stakeholders' or community value.

Earlier on, a similar concept to corporate social strategy was presented using the concept of *social responsiveness* (Carroll, 1979) (see section 2.2.3 literature review). Social responsiveness is "*the philosophy, mode or strategy behind business response to social responsibility and social issues*" (Carroll, 1979, p.501). Of interest to this research, is Carroll's presentation of a quantum of social responsiveness which ranges from (a) *doing nothing* (refusing to or withdrawal from doing anything) to (b) *defence* (doing what is required) to (c) *accommodating* (being progressive) and, lastly, being (d) *proactive* (actively solving problems and aspiring to be the leader). Defence strategies also involve firms doing only what is required in order to maintain good public relations or to avoid legal issues (Davis & Blomstrom, 1975, in Carroll, 1979). The defensive strategies concept is similar to what was observed in Community A and Community B where participants indicated that sometimes Liquipetro and PlatiOre CSI initiatives are a reactive response to community requests. However, the motive of the reaction/defence in these cases is not only good public relations or avoiding legal issues, as suggested by previous authors (Davis & Blomstrom, 1975), rather it is also to avoid social unrest with consequential profit losses (as shown in Community B).

This research revives the debate around social responsiveness which has been ignored for many years. First, it confirms Carroll's (1979) thesis that even from community perspectives,

the approach used by firms to respond to social issues is seen as entailing reactive/defensive approaches (only intervening when required, as shown in Community A and Community B) to proactive approaches (informed by understanding of needs, as shown in Community A and Community C). This research also highlights that a single firm can deploy multiple approaches.

Secondly, this research extends Carroll's model by showing that from a community perspective, defensive strategies (doing only what is required) can have risk management motives (avoiding social unrest that may lead to profit losses) in addition to having legal and public relations motives (Davis & Blomstrom, 1975, in Carroll, 1979). This perspective is important because it prompts researchers to think about the difference in CSI approaches aimed at "doing good" versus approaches aimed at "avoiding the bad". This is also important because even CSI researchers who conceptualised the motives of CSI and alluded that CSI can be a means of creating gains for the firm (i.e., instrumental motives) (Aguilera et al., 2007; Garriga & Melé, 2004; Jonikas, 2012) seldom conceptualised CSI as a means to avoid losses. While it was not the purpose of this research to explore CSI motives, it is clear from community perspectives provided that further research is required to revive Carroll's (1979) quantum of social responsiveness. In doing so, the link between corporate social responsiveness (specific response strategies) and CSI motives can be better understood and the quantum model can be enhanced.

6.1.2. Theme 2: Different awareness levels of social responsiveness - the influence of fencelineness and fenceline tenure

Apart from having different *ways* of understanding firms' social responsiveness, different communities portrayed different *levels of awareness* of these approaches. In Community A, for example, most participants were aware of the approaches to value creation by Liquipetro. They mentioned either the proactive or reactive ad hoc process, as shown above. In Community B, participants expressed understanding of ad hoc processes deployed by PlatiOre. However, there were some individuals in the same community (Community B) that did not have any understanding of the processes. Meanwhile in Community C, most participants were unaware of how the YDP project was strategically implemented (see section 5.3.2 (b)).

This cross-case comparison shows that communities that are located near the fencelines of extractive industries (Community B and Community A) had a better understanding of CSI processes than a non-fenceline community (Community C). Furthermore, a community like Community A that has been in Liquipetro's fenceline for a very long time (since 1960s) has even more understanding of CSI processes than communities like Community B that has only

been on the fenceline for a short while (since 1990s). Based on the above, this research suggests that different communities will have different levels of awareness of CSI processes. The level of community awareness of CSI/social value creation processes will be influenced by (i) its proximity to the fenceline (*fencelineness*) and (ii) length of time (tenure) in the company fenceline.

Fenceline communities are established in two ways. The most common way is that often communities comprising mainly labourers would establish themselves around an industry to minimise travel costs, leading to the establishment of the so-called “company towns” (Littlewood, 2014). Community A is a typical case of a company town. Secondly, fenceline communities can exist prior to an industrial activity, where a firm identifies economic opportunities in an already inhabited area. The Community B case is typical of such a community.

It can be expected that fenceline communities, especially those that are in mining or polluting industries, would have greater awareness of CSI activity because, as indicated earlier in Chapter 3, CSI in South Africa has historically been seen as a means to negate environmental impacts of mining and polluting industries (Trialogue, 2017). Hence, communities in the fenceline will be at the forefront of experiencing such impacts, and will be more aware of CSI activities.

Researchers have so far focused on the relationship between geographic location of communities in relation to firms (*fencelineness*) and social, economic and environmental challenges experienced by such communities (Littlewood, 2014; Renouard, 2010; Romijn & Caniëls, 2011). Such challenges include loss of arable land (Romijn & Caniëls, 2011) and environmental degradation (Littlewood, 2014) associated with firms’ activities.

Others have argued that too much of a firm’s involvement in CSI can deplete the firm’s resources and minimise employment opportunities for a fenceline community (Jung & Kim, 2016). The relationship between the geographic location of a community and CSI awareness has been largely ignored. However, this relationship is important because stakeholder awareness influences perceptions of value creation, and such perceptions can, in turn, affect a firm’s legitimacy and shareholder value (Byun & Oh, 2018; McWilliams & Siegel, 2011).

Meanwhile, literature on stakeholder awareness has, though in a fragmented way, illuminated factors that influence stakeholder awareness of social interventions and related processes. For example, Cárdenas et al. (2015) argued that stakeholder awareness about programmes can be influenced by the adequacy of public participation/engagements. Although in this research

participants did not explicitly link their limited understanding of the CSI approach to the nature of community engagements, they did allude to the fact that there is generally poor engagement with the community by companies, especially in Community B. They indicated that they sometimes do not know what is going on because the manner in which the mine engages the community is not transparent. For example, the community said they do not have access to PlatiOre's SLP.

Still on the issue of public participation, Nyembo (2018) has argued that education levels in South African low income communities can influence the community's ability to participate in social processes leading to the granting of social license, which logically would affect their awareness. Based on this, it was expected in this research that education levels would impact awareness of participants of firms' social responsiveness but, on the contrary, no discernible connection was found. The community (group) that was identified as less aware of a firm's social responsiveness (Community C) comprised youth with at least a Grade 12 qualification, compared to Community B and Community A where there was a mixture of post- and under-Grade 12 qualifications. This suggests that there are other factors that influence stakeholder awareness rather than just education levels.

Meanwhile, other authors have argued that stakeholders are rational actors driven by their own interests, priorities, personal needs and utility of actions (Lee et al., 2020; Nyembo, 2018; Rowley & Moldoveanu, 2003). For example, Lee et al. (2020) demonstrated in the context of CSI campaigns, that stakeholders will be involved in a CSI campaign depending on, among other things, the extent to which they feel personally connected to the issue (involvement recognition), and their prior experiences dealing with similar situations (a referent criterion). From this it can be deduced that individual community members will be more aware of CSI approaches if they are personally interested in the process.

Based on the above literature and findings of this study, it can be argued that community awareness of CSI is influenced by personal interest (involvement recognition) and prior experience (Lee, et al., 2020; Rowley & Moldoveanu, 2003), adequacy of public participation (Cárdenas et al., 2015) as well as *fencelineness* and fenceline tenure (this research). Although not systematically explored in this research, it can also be argued, based on logic, that *fencelineness* is a surrogate for public participation and personal interest. That is, fenceline communities are likely to be more interested in CSI matters and are likely to be involved in public participation, have prior experience and may even be more interested because firm activities affect them on a daily basis. Further research is required to explore this further.

It can also be concluded, based on this research and other studies that fencelineness as a construct has multiple dimensions: (i) geographic – proximity to the firm, (ii) tenure – length of

time in proximity to the firm, and (iii) impact - proximity and length of time experiencing the impacts of the firm. These dimensions are critical for CSI strategic decisions. For example, a mining company that will cause environmental degradation for many years will have to consider different CSI strategy for its fenceline communities from a particular sugar processing facility that implements CSI for its fenceline community. Similarly, the two firms will have different CSI strategies for afar communities.

This research adds to stakeholder awareness literature by demonstrating that while stakeholder awareness of approaches to CSI and CSI-related matters can be affected by public participation (Cárdenas et al., 2015) and individual interest (Rowley & Moldoveanu, 2003), these factors can be indicators or surrogates for *fencelineness*. As such, researchers undertaking CSI research in communities must distinguish between fenceline communities and non-fenceline communities as these two types of communities will have different levels of awareness of social responsiveness given the difference in their personal interest and prior experience.

6.2. Social value judgements

This cluster contains themes that explain how communities make value judgements of CSI activities in the area and factors that influence their judgements. As indicated earlier, communities made both company-level and programme-level judgements. At company level, participants made statements suggesting that a particular firm is doing more for the community, while others said that what a particular firm has done is not enough. Community A participants made statements like “Liquipetro has done a lot” while some said “what Liquipetro has done in terms of CSI is just a drop in the ocean”. In Community B some residents cried that “*PlatiOre has not done anything for us*”, while other participants listed a number of projects that PlatiOre has implemented. No company-level judgements were observed in Community C because, as indicated earlier, (i) this is a non-fenceline community, which means they cannot link CSI activity to a particular firm that they can appraise and (ii) they are receiving a programme that is multi-donor funded. This makes it difficult to associate or couple a programme to a given company.

This section presents one theme relating to programme-level judgements and not company-level judgements. This is because, apart from the statements made by participants in terms of company-level judgements shown in the previous paragraph, no further nuances were provided or deduced. That notwithstanding, participants did provide reasons for their positive and negative company-level judgements, which are presented in a different theme (section

6.3). This means that this section presents the “how” participants made judgement, while section 5.7 themes present the “why”.

6.2.1. Theme 3: Various qualitative ways in which communities make social value judgements

The different qualitative ways in which community members made judgements about CSI programmes are presented in the paragraphs that follow. In general, communities expressed their project-level qualitative *satisfactions* (positive judgements) in two ways and *dissatisfaction* (negative judgements) in one way.

They expressed positive judgements of CSI project outcomes and impacts by:

(i) Providing pre-post comparisons: qualitative comparisons of social conditions prior versus post-CSI project, and
(ii) Making absolute appraisals of CSI project outcomes.

Meanwhile, they expressed negative judgements of CSI project outcomes and impacts by:

(i) Making absolute appraisals of CSI project outcomes.

In terms of *pre-post comparison of social conditions,* empirical data showed that participants express their positive satisfaction by referring to conditions before the CSI intervention and after the intervention. For example, Community A participants indicated that before the renovations to the Community A clinic by Liquipetro, the community did not have access to a physician and associated services and they needed to travel long distances for certain medical conditions which they can now access easily. Similarly, with PlatiOre’s Phakama entrepreneur development project in Community B, emerging entrepreneurs indicated that prior to participation their businesses were not performing well but now they can see improvements in profits. Evidently, the pre-post comparison of social conditions was only made when participants were demonstrating their satisfaction with the projects (mainly in the form of expressing social/socioeconomic ills they suffered prior to the project) and not when they were expressing dissatisfaction.

In terms of *absolute appraisal of outcomes*, participants expressed both satisfaction and dissatisfaction with projects by indicating how a given project is performing on its own merit without making comparisons to prior situations. On the negative, participants expressed dissatisfaction by (i) communicating challenges that still persist even after a CSI project was implemented, (ii) unmet expectations, or (iii) suggesting that the project was poorly

implemented. Community B participants, for example, talked about how the water supply project by PlatiOre has failed because the manner in which the project is implemented (providing water only a few times a month, while people need water daily) is inadequate. Similarly, Community A and Community C participants mentioned that skills development programmes run by Liquipetro and the YDP respectively were not commendable because they did not meet their expectation that after participating in the programme, they will get jobs. On the positive, participants in all cases expressed satisfaction by communicating absolute positive outcomes. Community B residents talked about how Phakama projects improved business performance for some entrepreneurs. Community A residents said that Liquipetro's CSI interventions were beneficial because they improved learners' grade 12 performances and enabled the clinics to meet Ideal Clinic Criteria. Similarly, in Community C, participants appraised the YDP positively because through the entrepreneur development programme, some participants were able to open their own businesses.

Previous studies that assess social value creation through CSI have largely focused on overall firm-level social performance (Ameer & Othman, 2012; Khan et al., 2016; Lopez et al., 2007; Yadava & Sinha, 2016), with little attention on programme-level assessments. However, from a stakeholder perspective, Lankoski et al. (2016) have argued that value creation will be judged by stakeholders at company level (taking into account multiple historical and contemporary actions) and at programme level (based on an isolated action).

A few authors (Kroeger & Weber, 2015; Tobias et al., 2013; Utting, 2009) have made strides to illustrate how stakeholders can make social value evaluations at project level. For example, Utting (2009) reported absolute assessments of a project (i.e., responsible trade/fair trade initiatives) and showed that getting the community members involved in coffee trading can have positive outcomes such as increased number of employees and improvement in managerial skills.

Meanwhile, Kroeger and Weber (2015) have shown that research can assess the social value of a project/programme by comparing community quantitative satisfaction ratings before and after the project in a given life domain. However, since this research was qualitative in nature, participants did not indicate the level of satisfaction before and after the project in one domain. Instead, they expressed in detail the situation before and after the intervention, referring to a myriad of social ills prior to the project, sometimes in different domains. Using the clinic upgrades by Liquipetro as an example, communities did not only express satisfaction in the health domain before and after the project, but they also narrated their experience in terms of health service delivery: time spent on queues, ability to access specific medications and hunger.

Secondly, this research supplements Kroeger and Weber's theory by showing that while project-level social value can be expressed as a pre-post comparison of a beneficiary's social satisfaction quantitatively (Kroeger & Weber, 2015); project-level social value can also be expressed qualitatively. In the latter, judgements are presented in the form of (i) absolute assessments of outcomes and (ii) pre-post comparison of beneficiary's social conditions; while dissatisfactory judgements are presented in the form of (i) challenges that still persist even after a CSI project was implemented, (ii) unmet expectations, or (iii) suggesting that the project was poorly implemented.

a) Types of outcomes in programme level judgements

Intangible outcomes (impacts): This research notes that in addition to making social value judgements of tangible outcomes in given life domains (Kroeger & Weber, 2015), as shown above, communities can sometimes make judgements of both tangible outcomes and consequential intangible outcomes (referred to here as impacts), often associated with satisfactory judgements rather than dissatisfaction. In this regard, community members explained how CSI projects not only changed their living conditions by yielding particular outcome(s), but that such outcomes have a consequential impact on people's lives in a more intangible manner. For example, one participant in Community B indicated that PlatiOre's Aquaponics/Greenhouse farming project has enabled some community members to not only get jobs (outcome) but also to realise consequential improvement in the living conditions of their families (impact). Similarly, in Community C, participants expressed their satisfaction with the YDP for providing them with skills and competencies (outcome) but also for how such empowerment enables them to have a sense of purpose (impacts). Also in Community A, one participant said that being part of the entrepreneur development programme enabled him to start a business (outcome), which gave him a sense of independence (impact).

Secondary outcomes: This research found that absolute assessments of outcomes can be made for one activity that impacts on more than one domain of social needs. For example, in Community B, participants talked about how the failure of the water project impacted not only their water needs (basic resource needs domain) but also their need for education (education domain). That is, by not having water, young children in rural areas have to spend time going to fetch water from afar, which steals from their time and energy to focus on their studies. This enabled this research to distinguish between two types of impacts as follows:

- Primary impacts that affect the same domain of the intended impact;
- Secondary impacts that affect a different domain, consequent to affecting the primary domain.

Earlier, Rawhouser et al. (2017) argued, based on a review of 71 papers from leading journals (in business ethics, management and social entrepreneurship literature), that the assessment of secondary impacts of social initiatives has been largely ignored by researchers. The authors argued that, Some (if not most) activities may not only have direct effects on beneficiaries, but also indirect secondary effects at other levels of analysis as well and that these secondary impacts need to be given attention. However, Rawhouser et al. (2017) did not explicitly explain the difference between primary and secondary impacts. However, based on the examples the authors provided, they postulated that secondary impacts are consequential impacts at a higher level of analysis, for example, *benefits for both targeted and non-targeted beneficiaries, changes within industries, changes in policy, and so on, which take more time to transpire"* (Rawhouser et al., 2017).

While Rawhouser et al.'s (2017) definition of secondary outcomes involves impacts at a higher level of analysis, this research argues that secondary impacts can also be positioned at the same level of analysis though *impacting on a different life domain*. Given this argument, this research suggests that the methodologies for assessing social performance should go beyond assessing primary outcomes, but should also consider secondary outcomes and impacts. Furthermore, the assessment of secondary impacts should take into account not only multi-level impacts (at higher levels of analysis) but also the multi-domain impacts.

6.3. Reference states that influence social value judgements

The third question asked in this research was "What elements influence communities' value judgements?" This question was operationalised by asking participants about their reasons for satisfaction and reasons for expecting companies to do more CSI work. In the field, participants presented the various reasons for their satisfaction/dissatisfaction as well as reasons why companies should be involved in CSI. Additionally, participants disclosed (often without being asked and with passion) issues that are of concern to them in relation to CSI activity in the area. These types of issues are what Lankoski et al. (2016) refer to as reference states. Reference states are factors that are operational when a person makes value judgements, and therefore influence their judgements (Lankoski et al., 2016). In the context of CSI, this means that people will make social value judgements not only based on the outcomes and impacts of a social intervention, but also based on a reference state they deploy when making such judgements.

The authors (Lankoski et al., 2016) emphasised that these reference states are not always consciously made by an individual. That is, while some stakeholders may intentionally select a reference point, others may not even be aware of the yardstick they are using when judging

corporate performance. Hence, it is important for the researcher to pay attention to issues that participants have raised with a great sense of urgency (Lankoski et al., 2016). Based on this analysis, the following categories were grouped together to form a theme around reference states:

- CSI rationale: In this category, participants provided their reasons why companies should engage in CSI work.
- Community reasons for dissatisfaction: In this category, participants provided implicit and explicit reasons why they are dissatisfied with local CSI activities.

These categories were grouped together into a theme "reference states as drivers of value judgement" because they all presented factors that explicitly or implicitly influenced participants' (community) judgements, that is, reference states (Lankoski et al., 2016).

These reference states were further classified into external reference states and internal reference states because of the existing theoretical distinction between the two (Lankoski et al., 2016). External reference states are used by community members to make social value judgements based on a comparison to some external benchmark, while internal reference states are based on some internal yardstick in the mind of a stakeholder in their context (Lankoski et al., 2016).

6.3.1. Theme 4: Various external benchmark reference states used in value judgements

This research has shown that community judgements on CSI or social value can be influenced by a number of external reference states. Three external reference states (BRef 1, BRef 2 and BRef 3) were used by participants when making social value judgements in the cases concerned.

BRef 1: External comparison - intercommunity: This research has found that communities can use perceived inter- and intra-community contrast in CSI contributions by the same firm as a reference state when making judgements. This was evident because when participants expressed dissatisfaction with a firm's CSI activities, they made reference to what a firm is contributing to other communities elsewhere. For example, in Community A, participants said that Liquipetro's CSI contributions in Community A's township (Central Province) are not enough when compared to Liquipetro's contributions in Community Z's township (Eastern Province). They claimed that Liquipetro is doing more in Community Z than in Community A. Meanwhile, one other participant expressed satisfaction by saying that Community A is a better-off township compared to the neighbouring townships such as Shaza community

(pseudonym), all thanks to Liquipetro's contributions. In Community B, participants were less satisfied when they compared PlatiOre's CSI contributions in Community B (Northern Province) versus PlatiOre's contributions in the town of Bafokeng (North West Province). No inter-community comparison was made in Community C because no firm-level judgements were made in the case. This is also because the Community C YDP hub was the first hub in the country and there is no other hub to use as a comparison.

Inter-community contrasts can also be within the same geographic area (intra-community). This means that reference can be made to contrasting contributions by a single firm for one sub-community versus the another in the same geographic vicinity. This was the case in Community B where community members expressed some dissatisfaction, saying that PlatiOre is contributing more to some villages than others. This presents a different sense of community and identity (PSOC) between the different sub-communities. That is, communities in the same administrative boundaries recognise themselves as different and compare value received from a firm against others in the same boundary.

BRef 2: External comparison – Ideals – trade-offs: Some communities made judgements while referring to the losses they incurred as a result of activities of the same firm. In the case of Community B, for instance, participants expressed negative judgements while mentioning the loss of arable land incurred at the time they made a transaction (mining land in exchange for the promise of better jobs and houses, among other things). This was, however, not observed in the other two cases. This means that this observation could be typical of mining and other extractive industries which are often accompanied by loss of physical assets used by communities.

BRef 3: External comparison - offsets: This research further showed that community social value judgements can be influenced by the presence of offset conditions. Offsets are different from trade-offs because while trade-offs are transactional (involving exchange of goods/services at the time of transaction), offsets are inevitable negative consequences of a firm's activities that counterbalance any social improvements made. For example, in Community A participants indicated that they consider Liquipetro's contributions insufficient, considering the pollution caused by the firm. Pollution is considered to be an offset because it causes health impacts that counterbalances the health gains harnessed through Liquipetro's clinic upgrades (CSI). Pollution problems were also associated with dissatisfaction in Community B where members complained that PlatiOre is causing pollution in the form of dust that is causing many illnesses, as well as water pollution. No offset conditions were mentioned in Community C, possibly due to the multi-donor nature of the CSI activity which cannot be linked to any pollution-causing company.

Based on the above, this research confirms that different communities will use different reference states when making judgements of CSI. Both Community A and Community B used inter-community comparison as a reference. Additionally, Community A made reference to air pollution as an offset, while Community B referred to trade-offs when making judgements. Community C did not have any reference points.

Therefore, this research concludes that some communities will use inter-community comparison as a reference point, if they have knowledge of experiences of other communities. It also proposed that communities near extractive industries can use offsets and/or trade-offs as reference states when making judgements. The use of trade-offs as a reference will depend on the extent to which a firm is seen as having met its obligations set out at the time of transaction.

CSI literature has only marginally indicated instances of community trade-offs associated with extractive industries elsewhere. For example, Romijn & Caniëls (2011) studied the evolution of the Jathropa bio-oil industry in Tanzania and discovered that some oil companies promised local communities a large number of jobs, free oil supply to locals, and investment in community development. In exchange for these, the community gave away agriculturally productive land (without financial compensation). When the firm's profitability was under threat, it became clear that it would not meet its obligations (Romijn & Caniëls, 2011). Thus, although the company brought in some positive developments that never existed before, the cost incurred during this transaction diminished the value of such developments and any value to these communities. However, the authors (Romijn & Caniëls, 2011) did not demonstrate the use of trade-offs as a reference state influencing community perceptions.

Literature on the use of reference states in stakeholder value judgements is very scarce, with Lankoski et al. (2016) being a group of only a few authors that have paid attention to this area of research. They used prospect theory to argue that stakeholders will make value judgements according to their reference states. Prospect theory argues that people do not normally judge value in terms of absolute states of the outcomes, but rather in terms of gains and losses against a reference state (Kahneman & Tversky, 1979 in Lankoski et al. (2016)). Lankoski et al. (2016) mentioned three types of reference states used by stakeholders as follows: (i) Status quo (ii) External comparisons, and (iii) Internal aspirations (see section 2.2.4):

This research advances Lankoski et al.'s (2016) theory in three ways. First, it confirms their theory by showing that, as with other stakeholders, communities will make value judgements using external comparisons as a yardstick. Secondly, this research adds to their theory by adding to their list two new types of external comparison (i.e. inter-community comparison and

offsets). That is, stakeholders will not only make external comparisons of norms, markets and ideals but also on inter-community comparison and offsets. Lastly, this research expands their theory by showing that from a community perspective and in the context of extractive industries, non-acceptance of trade-offs can manifest not only in the form of loss of protected values (intangible), as Lankoski et al. (2016) suggest; but also as loss of protected valuables/assets (tangible). The significance of these three additions to theory are explained in section 7.1.1.

6.3.2. Theme 5: Various internal aspiration reference states used in value judgements

This research supported existing literature (Lankoski et al., 2016) by demonstrating that community judgements on CSI or social value can be influenced by a number of internal reference states. Internal reference states are individuals' aspirations or moral baseline or expectations of a firm which are only known to themselves. Existing stakeholder value judgement literature (Lankoski et al., 2016), perhaps due to its conceptual nature, does not provide detailed explanations and examples of internal reference states used by stakeholders as was done with external reference states. This is because, as indicated, *internal* reference states are in the mind of the stakeholder influenced by their context and world view, and it is difficult for the next person to relate and use the same benchmark. Consequently, unlike external reference states which managers can use in making CSI implementation improvements (e.g., a manager can get records of what is being done in a different geographic area and replicate it), internal reference states remain unclear from an implementation perspective. It is because of this that internal reference states are expected to be highly context dependent. This research provides a South African community context of internal reference states used by communities when making social value judgements, which can also be representative of other developing country contexts.

b) Perceived firm capabilities

Some communities made judgements of social value with reference to the perceived capabilities (financial capability, institutional capability and moral capability) of a firm. These are discussed in the paragraphs that follow.

Perceived corporate financial capability: Participants in Community A and Community B expressed dissatisfaction and mentioned that Liquipetro and PlatiOre, respectively, could do more in terms of CSI contributions and create more value, considering that these companies have enough financial resources to do so. Meanwhile, others in the same cases expressed satisfaction, indicating that these companies have finite resources and can only make a certain

level of contributions to CSI without negatively affecting their business. This means that, unlike with other types of social development initiatives/programmes (for example, by NGOs or international development organisations), social initiatives by firms can be judged by communities in terms of their perceptions of corporate financial wherewithal versus how much they are contributing to the community. This observation however was not depicted in Community C because, as indicated, company-level judgements were not made in this community.

Perceived corporate moral capability: In Community A, positive judgements were associated with participants also saying that Liquipetro will consider any proposal for development in the community because the company wants to see change in the community. Participants implied that Liquipetro cares for the community. On the other hand, the dissatisfied others said that if Liquipetro cares, it will follow up on projects that they implement to see if they are working and beneficial to the community. Meanwhile, Community B residents expressed dissatisfaction by complaining that PlatiOre is not making satisfactory CSI contributions because the company does not care. Others expressed satisfaction and said that PlatiOre has implemented a number of projects because they want to see development in the community (which means caring). In Community C, participants expressed satisfaction and said that the staff at the YDP cares.

Perceived relational capability: Community B participants made value judgements based on the perceived relational capabilities of a firm. They expressed dissatisfaction by saying that PlatiOre is not relating well to the community. They provided examples of instances where the community made peaceful protests to PlatiOre, but PlatiOre called the police, consequently leading to community members being arrested and injured. In community A, the researcher did not observe negative value judgements in concurrence with perceived community-firm relations. However, one participant indicated that the reason why Community A is not happy with Liquipetro is because the events following the 1976 community protests against Liquipetro (section 5.1.1) have left a bitter taste on community members. He said that community members always raise this issue – sometimes with hostility – each time Liquipetro calls a meeting to discuss CSI matters. This means that their appraisal of Liquipetro CSI can be influenced by their poor relations with Liquipetro. No similar observations were made in Community C.

The analysis across cases suggests that when communities make firm-level judgements on CSI matters, their judgements are influenced by the perceived financial, moral and relational capabilities of a firm. In terms of financial capability, both Community A and Community B had individuals who expressed dissatisfaction by saying that Liquipetro and PlatiOre, respectively, have the financial wherewithal to make more CSI contributions, while others in the same

communities were satisfied with what had been done already. In terms of moral capability, both Community A and Community B had participants showing dissatisfaction by saying that Liquipetro and PlatiOre either care or do not care. Finally, in terms of relational capability, it was evident that contemporary (protests in Community B) and historical (the 1976 strike in Community A) events that negatively affect firm-community relations, can influence community perceptions of firm-level value judgements.

Various scholars have articulated CSI/CSR using the capability theories – in particular the resource-based view and dynamic capabilities. The resource-based view of the firm asserts that a firm will have a competitive advantage in its markets sphere if it possesses unique resources or assets (tangible or intangible) that are valuable and rare (Barney, 1991). The dynamic capabilities leg of the theory presents the notion that there are strategic routines that managers deploy in order to derive such resources (Garriga & Melé, 2004). Using this theory, CSI literature has argued that social and ethical relations can serve as unique capability for a firm that can be a source of competitive advantage (Donaldson & Preston, 1995; Garriga & Melé, 2004; McWilliams & Siegel, 2011).

Others (Barnett, 2007; Godfrey, 2005) have challenged this simplistic view of CSI as a means for competitive advantage by arguing that the ability of a firm to harness CSI for competitive advantage depends on:

(i) stakeholder influence capability (the ability of a firm to identify, act on, and profit from opportunities to improve stakeholder relationships through CSR) (Barnett, 2007); and

(ii) relational wealth (the perception of stakeholders/communities about the morality of such CSI interventions) (Godfrey, 2005).

Both authors (Barnett, 2007; Godfrey, 2005) implied that stakeholders will make judgements of CSI not only from the morality of the action but the morality of the actor. That is, whether stakeholders believe that the CSI action is based on a genuine ethical stance of the actor rather than ingratiating motives or tactics to capture their favour. They argued that such judgements will then influence the strength of the relationship between CSI and competitive advantage (a parallel for positive shareholder value). In all these instances, however, researchers view CSI and associated firm capabilities as a means to increase shareholder value and not other stakeholders' value. That notwithstanding, this research supports these authors' notion that the morality of the actor will influence stakeholder/community value perception.

Meanwhile, stakeholder value judgement researchers stated that stakeholders can use past firm performance levels (i.e. how a firm was performing in the past) as references when making

value judgements (also referred to as status quo reference state) (Lankoski et al., 2016). This research provides more nuances to this notion by demonstrating that although past performance levels can be used as a status quo reference state in stakeholder judgements (Lankoski et al., 2016), communities in particular can also refer to past firm unethical actions (which affect relational capability) as an internal reference state when making value judgements. It is important to note that past firm performance is often used by stakeholders as a benchmark against which a firm is expected to perform (status quo reference state) (Lankoski et al., 2016), but from this research past unethical actions by a firm are not used as a status quo benchmark but as a reason for negative judgement against which a firm is expected to do better (internal reference state). In other words, while past good/ethical performance creates an external benchmark against which future performance can be assessed, past unethical actions create internal aspirations of unknown magnitude in the mind of the stakeholder.

Based on the above, this research brings aspects of capabilities theory to social value judgement. Previous researchers have only looked at capabilities theory from an instrumental perspective and have argued that a firm's capabilities (including moral and relational capabilities) can impact on a firm's competitive advantage (Donaldson & Preston, 1995; Garriga & Melé, 2004; McWilliams & Siegel, 2011). This research, on the other hand, shows that communities' perceptions of firm capabilities (financial, moral, relational) can impact their social value judgements, in particular the internal reference states they use in value judgements.

Furthermore, this research shows that while past firm action can influence stakeholder value judgement, a distinction can be made between *past bad (unethical) actions* which create an internal reference state (through relational capability) AND *past good actions* which create a status quo reference state. That is, when stakeholders make social value judgements against a firm's past good deeds, they use such deeds as a benchmark against which future performance will be appraised (i.e., status quo reference state); however, when they refer to past bad deeds, they use such to create an internal reference state.

c) Historical econo-political injustices

Data from this research suggest that in a South African context, community perceptions and judgements of social value can be influenced by experience and/or consciousness of past political injustices viewed in light of the economic benefits accrued by a firm from such injustices. To be specific, Community A made social value judgements based on their perceptions of apartheid injustices and how firms like Liquipetro benefitted economically from such. They felt that Liquipetro's contributions are not enough considering the fact that Liquipetro, and corporate South Africa in general, benefitted from the apartheid regime in the

form of less wages to black citizens and taxes accrued as Liquipetro was state owned at the time. Based on this, they said it therefore beholds Liquipetro to make more CSI contributions.

The influence of historical econo-political injustices in social value judgements was not observed in all cases. It was only observed in Community A but not in the other two cases (one being a traditional community and the other being a young community). What distinguished Community A from the other cases is that:

(i) Unlike in Community C, some of the participants that were interviewed in Community A were former pre-democracy political activists. Hence, they have clearer experience/consciousness of the deeds of apartheid than would Community C participants who were a much younger generation of less than 30 years old.

(ii) While both Community A and Community B participants were of a similar population age range, Community B participants were from a rural traditional community that was not actively involved in politics compared to Community A. Indeed, the involvement of rural communities in political activism is minimal when compared to townships. This is demonstrated by more major politically active events being in townships such as Soweto[1], Sharpville[2], and the Vaal Triangle[3], than anywhere in the rural areas.

Based on the above, this research argues that community perceptions and social value judgements can be influenced by individuals' perceived historical econo-political injustices. Furthermore, the role of perceived econo-political injustices on value judgements is mediated by the historical political consciousness of the community/individuals concerned. That is, one has to first be politically conscious or have experienced such injustices for them to consider historical econo-political injustices as an influencer of their perceptions.

There is a paucity of literature on CSI in specific political contexts and the role of past political injustices on a firm's stakeholder perceptions. What has been clearly articulated, however, is that there are political theories that are applicable to CSI. For example, in their extensive review of political theories applicable to CSI, Garriga and Melé (2004) mentioned two political theories: Corporate constitutionalism, and Corporate citizenship. Corporate constitutionalism pertains to the power that business has on society and the impact of its power, while corporate citizenship talks about the role of business in society and sometimes doing what governments cannot do (Garriga & Melé, 2004). These theories, however, say very little about the role of a political

[1] Soweto uprising
[2] Sharpville massacre
[3] Vaal boycott

regime on CSI and how political landscapes (past and current) influence social value judgements.

As indicated earlier, stakeholder value judgement literature has indicated that past firm actions will affect stakeholder judgements and perceptions about that firm's activities (Lankoski et al., 2016). This stems from the argument that some stakeholders have a long memory about a firm's social acts of the past (accrued moral capital of a firm) which they can then use in making judgements (Barnett, 2007; Godfrey, 2005; Lankoski et al., 2016). These authors, however, focused on CSI as a mechanism for building moral capital and that stakeholders will use past CSI actions to judge any other action. This research, on the other hand, brings focus to past political regime (instead of past firm's action) and its association with a firm's economic activity and benefits. It argues that in a South African context, communities will not only make judgement based on past CSI actions (and other firms' actions), but also on past political actions in light of the perceived economic benefits accrued by a firm under such governance (econo-political injustice).

This research makes a contribution to stakeholder judgement literature by adding a new element that influences stakeholder judgement in a South African context, i.e., perceived econo-political injustice (economic benefits of a firm under a politically unjust regime). This research further adds that the influence of perceived econo-political injustice will be moderated by a community's political consciousness of a political regime. This is because, as seen from cross-case analysis, the observed influence of econo-political injustice was only in case communities that were more politically conscious communities.

d) Perceived roles and division of labour between government and corporations

Empirical data suggested that communities made judgements of CSI based on their perceived institutional role of a firm vs government in social development matters. Participants who expressed satisfaction with Liquipetro and PlatiOre's CSI contributions qualified their appraisal by indicating that these firms are doing enough considering that it is, after all, not their obligation to undertake social development projects, rather it is the duty of government.

In Community A, Zakes (former Liquipetro employee) said that the community unfairly expects Liquipetro to do things in areas where local government fails. This includes expecting Liquipetro to intervene in the provision of electricity and sewage, which fall within government mandate. Motli (young resident) said that "*Well, Liquipetro is not our government. It wouldn't actually pay more attention to socioeconomic development. So I cannot blame them anyhow because it is not their responsibility.*"

In Community B, Manga said that he does not think firms in general are obliged to undertake CSI activity as, according to him, such activities fall within the government's mandate. The only reason he expects companies like PlatiOre to do more is because of the land that was taken from the community for PlatiOre to operate (as explained in section 5.2.3).

In Community C, participants could not answer the question that was probing whether business should engage in social development projects. They only said "yes" (business should get involved), but struggled to provide reasons.

On the other hand, community members who were dissatisfied with Liquipetro's and PlatiOre's CSI initiatives did not explicitly make reference to the roles or duties of a firm vs the government but implicitly suggested that they expect corporations to be actively involved in social developmental projects, similar to what is expected of government. When asked about what they proposed firms should do for the community, they proffered areas of improvement by suggesting that firms can do more projects such as providing clinic staff, extra lessons for learners, sports and recreation, food kitchens, environmental rehabilitation, science centre, facilitate community-based tourism (in Community A), and rehabilitation centres, road upgrades, stadiums and parks, as proposed in Community B. One would argue that the nature of some of these proposed projects fall within the mandate of government. In Community C, participants did not propose any additional projects, but only suggested areas of improvement to the existing project.

This cross-case analysis showed that only fenceline communities had their satisfaction or dissatisfaction with CSI activity attributed to their perceived role of business versus the role of government. Individuals within these communities presented positive judgements when they believed that firms are not obliged to undertake activities that fall within the government mandate. In other words, firms are seen as praiseworthy when they are perceived to be going above their call of duty; in the same way they are blameworthy when they fail to do what they are obliged to do. The Community A case further shows that the expected business obligation on social issues can be attributed to government failures to deliver on its mandate.

Literature has used the concept of "corporate citizenship" to explain the role of a firm. Corporate citizenship simply means a sense of belonging to a community; and as such should take into account the needs of communities where they are operating (Garriga & Melé, 2004; Matten & Crane, 2005). While the concept is used differently by different researchers (e.g. Garriga & Melé, 2004), Matten and Crane (2005) simplified this by providing three different views to corporate citizenship: (1) *a limited view* where corporate citizenship means participating in philanthropy, social investment and social responsibilities; (2) *an equivalent* view where corporate citizenship means engaging in CSI activities for various reasons; and (3)

an extended view where CSI is seen as equivalent to interventions at a point of government failure; meaning that firms had to go beyond their call of duty.

The latter view (extended view) is derived from the fact that, on one hand, governments are failing to deliver certain welfare duties (problem of welfare states) and, on the other hand, companies are becoming more powerful in the social space, and in some cases are able to replace governments (Garriga & Melé, 2004) . This results in more and more companies across the globe getting involved in developmental CSI projects such that they have become agents and administrators of civil, socioeconomic and even political issues, taking a stronger role on issues that are traditionally within the mandates of state institutions and governments (Garriga & Melé, 2004; Mäkinen & Kourula, 2014; Matten & Crane, 2005). This makes the division of labour between these institutions of business and government unclear - who should do more or less of the moral labour?

Nyembo (2018) has indeed shown that in developing country contexts like South Africa, communities are struggling to differentiate between the role of government and (mining) companies, especially when government fails to deliver on its mandates. This research supports this finding and further suggest that this blur in division of labour can influence value judgements of CSI.

Overall, this research contributes to social value judgement literature by adding yet another element that influences stakeholder judgement in developing country community contexts, i.e., *perceived division of labour between governments and corporations*. It shows that communities will make judgements of company level CSI contributions and formulate perceptions based on their understanding or belief of whether the said contributions are within the mandates of a firm or government. Communities will be more satisfied if they believe that firms are going beyond their mandate. This conclusion, however, cannot be generalised to other stakeholders beyond communities because other stakeholders (customers, shareholders, employees, suppliers) may have better clarity on what to expect from firms versus governments.

e) Summary of theme 5 (internal reference states)

Overall, this theme has illuminated the South African context-specific internal reference states used by communities in making judgements on firms' social performance and value creation. From this context, this research shows that communities' experience of past political injustices can influence their internal aspirations and therefore judgements of CSI and associated value if the respective corporations are seen as participants of such an unfair regime. It is important to note that while participants mentioned past political injustices as they relate to apartheid, in

other contexts this can also be in relation to past political injustices related to unjust monarchy systems, for example.

Secondly, South Africa represents a developed country context where communities' social and political challenges interface with ineffective government service delivery. These conditions cause communities to expect more from firms and expect firms to implement programmes that are supposed to be fulfilled by governments. Consequently, firms' CSI interventions are judged based on the extent to which stakeholders internally view the intervention as either a government or corporate mandate.

Lastly, this theme shows that stakeholder judgement can be influenced by internal reference states such as the perceived capabilities of a firm. That is, communities' judgement of whether a firm's CSI activities are satisfactory or not will be influenced by their perceptions of whether the firm has money to do more, moral interest to do more, and in good enough relations to do more. With respect to relational capability in particular, this research further shows that relational capability as an internal reference state can be influenced by past firm actions. This changes Lankoski et al.'s (2016) model by demonstrating that while a firm's past good actions can create a status quo reference state in the mind of a stakeholder, a firm's bad actions can affect relational capability and create an internal reference state.

6.3.3. Summary of reference states that influence value judgements – the overall justice theme

From a number of themes in this section (6.3: Reference states), an underlying theme of justice and fairness can be deduced. It is clear that community value judgements of social interventions are influenced by their perceptions of justice at organisational level and at macro-level (beyond a single organisation). To illustrate this, the observations from this research suggest that stakeholder judgements were influenced by:

- Comparison of what communities are receiving vs other communities receiving benefits from the same firm, i.e., *organisational distributive justice* in the form of unfair distribution of benefits across communities from the same firm;
- Historical econo-political justice, where organisations have unfairly benefitted from apartheid, i.e., *indirect macro-level injustice* in the form of unfair distribution of burdens and benefits between the firm and the community;
- Perceived role of government vs corporate on CSI, where some community members said that expecting corporate to do what firms should do is unjust to corporate (*macro-level distributive justice*, unfair distribution of responsibilities between government and business).

- Trade-offs and offsets (*organisational distributive justice* in the form of unfair distribution of burdens and benefits between the firm and the community).

This suggests that communities will make value judgements using both organisational justice and macro-level justice.

Research on justice in the management literature has focused primarily on fairness within organisations (Logsdon & Van Buren, 2008), usually focusing on employee-based distributive justice (Colquitt et al., 2013; Cropanzano et al., 2007; Harrison & Wicks, 2013) where a high level of internal organisational justice is linked to a firm's performance. Few authors have brought the issue of justice to the broader stakeholder debate, in particular to stakeholder perception and judgements. For example, Harrison and Wicks (2013) stated that stakeholder perceptions can be influenced by the extent to which they perceive an organisation to be fair in terms of distributive justice (what they are giving in comparison with others); procedural justice (rules and procedures) and interpersonal justice (respect, empathy and goodwill consideration).

This research provides more nuances to Harrison and Wicks' (2013) arguments by presenting different *levels of justice* presented and deployed by stakeholders when making value judgements. That is, from the community perspective, value judgements will be made at micro- (judgement based on activities of one organisation or firm) and macro-level (judgement based on contribution of a firm against political and governance systems). Minimal research has gone into the macro-level injustice issues and its impact on stakeholder perceptions. Among the few are Logsdon and Van Buren (2008) who showed that the involvement of firms in macro-level unjust political systems such as apartheid in South Africa and financing military and special security forces in Indonesia can affect activist shareholder perceptions and resolutions. The authors argued that this sort of macro-level justice is ignored by researchers because of the tendency for researchers to focus of organisational justice and economics instead of critically examining economic and political system nexus. This research supports Logsdon and Van Buren (2008) by highlighting the influence of macro-level fairness on community value judgements. This finding challenges the prominent view that so far implied that stakeholder perception of value and justice will be only in relation to organisational justice as far as it relates to exchanges or reciprocity between the firm and a particular stakeholder group (Colquitt et al., 2013; Konow, 2001). It incites the consideration of indirect and multidirectional aspects of community-firm justice.

By bringing in the macro-level aspects of justice, it also becomes clear that the direction of perceived justice is not unilateral (e.g., is the firm fair to the community?); rather multilateral across organisations and stakeholders in a firm-government-community. That is, instead of

viewing justice only in terms of fairness to the stakeholder, one can also view justice in terms of fairness to a firm.

6.4. Factors influencing social value creation, value capture and value sustenance

This cluster contains themes that depict either the challenges that negatively affect CSI, elements that communities consider as important for positive outcomes and their proposals to either address the negatives or enhance positive outcomes. All these constitute success factors because they either affect the process' or projects' success negatively or positively.

As indicated in section 2.3, factors contributing to value creation for different stakeholders have been documented in existing literature. However, such literature has focused on elements of value creation for stakeholders such as suppliers, shareholders, customers and employees; with less depth on social (community) value. From a community perspective, the elements that contribute to social value have not been fully explored. Authors have only investigated elements that contribute to the success of social programmes implemented by development agencies (rather than firms), and usually from the programme coordinators' perspective (rather than beneficiary perspective) (Diallo & Thuillier, 2004; Khan et al., 2000; Khang & Moe, 2008; Struyk, 2007; Yalegama et al., 2016). Details of the factors are provided in Table 1 and include: Leadership support, project management structure, beneficiary skills, effective consultation, competency of implementing personnel and early detection of problems.

This study also identified other additional factors, some of which are context dependent. Indeed, other authors have noted that elements of programme success (a parallel to social value) will differ based on the nature of the programme and context (Struyk, 7007). Hence the call for more context-specific understanding of elements or factors (Cicmil et al., 2006). Apart from adding new elements or factors affecting value creation, this research has found some nuanced differences between factors that were previously identified by other authors.

6.4.1. Theme 6: The multidimensional, multidirectional impact of local government involvement on social value creation

This research has identified the involvement of local government in CSI initiatives as having both negative and positive impacts on value creation. These impacts were presented by community members from (i) a leadership dimension and (ii) an organisational dimension.

From a local government *leadership* dimension, two elements were identified as having an effect on value creation: leadership support and leadership corruption. In Community A, participants indicated that it is important for local government leaders to be involved in CSI interventions because these leaders understand social needs. As an example, participants said that the Lebone programme implemented by Liquipetro was a success during the times when they received support from local government leaders. On the other hand, it was noted that corrupt leaders can affect CSI negatively. Community A participants indicated that when some local government leaders get involved in CSI projects, they sometimes focus on how they can benefit from such projects instead of focusing on communal benefits.

From a local government *organisational* dimension, Community A participants suggested that the involvement of local government as an institution can positively affect value creation because such involvement will enable alignment of CSI interventions with IDP processes, thereby optimising resources. This is because local government IDPs are developed based on a thorough assessment of social needs and therefore, when local government is involved, there are opportunities for CSI interventions to be aligned with IDP interventions and where possible corporate can join forces in upscaling delivery of IDP projects. On the negative side, participants indicated that the involvement of local government in CSI can negatively affect CSI programmes in light of local government organisational instabilities such as changes in administration associated with 5-year election cycles. For example, when CSI decisions are being made in collaboration with local government, the 5-year administrative changes may delay processes as new administration entrants need to be re-oriented and solicited into the project. These new entrants may also have a different political agenda that they may bring to the CSI agenda. Furthermore, participants believe that in instances where local government is involved and CSI money is given to local government, organisational factors such as the misuse of funds and a culture of poor accountability leads to the misuse of CSI funds. This may also result in such monies not being utilised as intended, consequently affecting value creation.

This observation on the role of local government on value creation was observed in Community A and not in any of the other cases. This could be due to the fact that the area where the local municipality is situated is in an industrial hub. The municipality hosts a number of large industries including Liquipetro, Eskom power plant and several mines. As such, the municipality is intricately involved with these industries for governance reasons (including environmental control), and for social-political reasons (because as these companies do good deeds, the councillors are seen as doing well). This involvement of local government in CSI is referred to here as political prominence.

Diallo and Thuillier (2004) argued that political leaders tend to get prominent and visibly involved in social projects that have political utility. They presented this narrative in the context of international social development projects in Africa that when a project is considered from a political angle (or as having political utility), it gets seen as a valuable tool of governance and for the professions of those involved (Diallo & Thuillier, 2004). Meanwhile, Nyembo (2018) argued that local government can see social interventions by (mining) firms as a political opportunity to bridge gaps in service delivery, thereby becoming prominent in the space. By implication, these authors are arguing that *political utility of a single project* can influence political prominence. This research further shows that in the context of CSI projects, political prominence can also be influenced by the *political utility of the region* and the associated CSI activity.

The role of government in stakeholder value creation has been passively mentioned in stakeholder theory literature. For other stakeholders such as shareholders, Falahat et al. (2021) showed, based on a sample of SME, that stronger government support can have a positive effect on business capability and financial performance. From a community perspective, Struyk (2007) posited that getting government leadership support from the outset is the single most important factor in the success of community development programmes. In the same vein, Nyembo (2018) indicated it is important for social projects by firms to be aligned with IDPs (which suggest government involvement).

These authors highlighted the multidirectional nature of local government involvement in social projects by demonstrating that such involvement is not immune from challenges and negative impacts. Nyembo (2018) mentioned that the lack of skills and failures to oversee projects (capacity) are some of the elements that impede the desired quality of local government involvement in social protection in the process of communities issuing a social licence. Meanwhile, Struyk (2007) warned that change in local government leadership as a result of high turnover can introduce different political and administrative agendas that are not always aligned with the original project agenda; and this can affect a social programme's success. Struyk (2007) also mentioned that when clientelism and corruption are endemic to a political system, these two factors can have negative impacts on social programmes.

This research supports Struyk (2007) and Nyembo (2018) that, similar to other developmental projects and social licence processes, CSI interventions can be impacted by political leadership involvement. The research then adds to the list of political leadership factors mentioned by these authors. First it distinguishes between the leadership aspects and organisational aspects of government. Using that distinction, this research supports previous studies that political leadership dimension factors influencing value creation will include (i) local

government leadership capacity (Nyembo, 2018) and leadership corruption (Struyk, 2007). It also adds to existing organisational dimension factors that in addition to (i) Organisational leadership turnover which influences project agenda (Struyk, 2007), (ii) alignment with local government IDP for resource optimisation (Nyembo, 2018); other factors include (iii) local government administrative changes that influence project speed and (iv) misuse of funds.

6.4.2. Theme 7: The impact of understanding variable community needs on social value capture

This research proposes that social value capture is negatively affected by lack of alignment between the proposed CSI intervention and context-specific and unique micro-level social needs. This means that sometimes CSI interventions become less valuable when corporations do not understand community needs in context, thereby not implementing CSI activities that are congruent with such needs.

In Community A, participants indicated that CSI should not only be about firms having money to spend arbitrarily, but rather about taking into account what communities need, based on the outcomes of consultation with communities; otherwise such projects become white elephants. An example of a white elephant project mentioned by participants was the CCTV cameras erected by Liquipetro as a security measure for the protection of Community A township and surrounds. They insisted that if projects are not aligned to specific community needs, the community does not take ownership and sometimes even vandalises projects.

In Community B, one participant indicated that the reason for failure of the aquaponics CSI project in Community B was a result of PlatiOre ignoring what the community asked for. He said that the community wanted farmlands, but the company provided greenhouse-based agriculture instead. Hence, he deemed the project as not successful in delivering value. Similarly, the old age home established by PlatiOre is not being fully utilised because, given the traditional type of community they live in, the elders prefer to live with their children or grandchildren instead of in an old age home. Hence it was reported by some participants that the said old age home remains underutilised.

In Community C, participants said that the reason why YDP is a successful programme is because they employed people from the community who understand the needs of the community.

All cases demonstrate that understanding of community-specific social needs is critical for social value creation. In instances where CSI interventions are not aligned to such needs, the

interventions may become underutilised, unutilised or even vandalised, thereby diminishing the potential value.

The definition of social value, according to Kroeger and Weber (2015), is centred around the ability of interventions to address social needs. As indicated in Chapter 2, Kroeger and Weber (2015) advised that social need should be determined by "socioeconomic and institutional conditions in a country" (p. 60). This is in agreement with what other authors in life satisfaction domains literature suggested - that it is better to derive domains of social satisfaction from public policy or from a nation-wide survey (Beja & Yap, 2013; Cummins et al., 2003; Rawhouser et al., 2017). However, empirical data from this research showed that in the context of social value creation by local firms, deriving social needs at national level may not always be desirable and therefore firms must endeavour to understand sub-national social needs. For example, the availability of clean water for Community B residents is a priority need that was not mentioned in any other case. Thus, CSI activities should be aligned to such local and location-specific needs.

This means that firms should ponder on local specific issues that need to be addressed because these issues can change over time and space. For example, issues of the environment and consumerism were not regarded as major issues decades ago as they are now. Also, as Carroll (1979) highlighted, these issues can vary across industries, for example, environmental issues being more pressing for manufacturing industries than for banks. This research adds that CSI issues management should not only take into account the variability of issues across time and across markets (Carroll, 1979) but also across macro and micro spaces. For example, addressing unemployment and HIV-AIDS may be absolutely essential in South Africa but not elsewhere in the world, In the same way, addressing water issues is more essential in Community B than in most other places in the country.

Previous empirical research has indeed demonstrated that sometimes firms do not always deliver CSI according to localised social needs (Tang-Lee, 2016). This is despite an acknowledgement of the heterogeneous nature of communities and their needs (Nyembo, 2018). Based on interviews with communities living next to an extractive Japanese mining firm, Tang-Lee (2016) explained that while a firm was working to deliver CSI projects relating to clinics, schools, water and sanitation (thereby conforming to the institutional or market isomorphism), what the community needed was environmental interventions that will protect their farmlands from erosion and acid soils associated with mining. This research shows that this misalignment between CSI intervention and local social needs can in turn affect the perceived social value of CSI.

This research adds to CSI literature by showing that CSI issues accounted for by firms in social value creation should not be limited by market conformity (Carroll, 1979) and national priorities (Kroeger & Weber, 2015); but should take into account the complex sub-national/local contexts.

6.4.3. Theme 8: Impact of quality of community engagements on value creation

This research identified various elements of community engagements that affect the communities' perception of value creation; sometimes even contributing to poor alignment of CSI interventions with local needs (detailed in the previous subsection). These include:

Individual voice: Participants in Community A indicated that when undertaking CSI public engagements, firms should take into account the limitations of conventional public participation processes in capturing individual voice. In particular, they mentioned that some members of the public may not feel confident or empowered enough to express their voices/opinions during public participation meetings. Hence, they proposed that one way of enabling expression of individual voice is by undertaking households or one-on-one surveys in addition to community meetings.

Community voice: On the other hand, Community B residents indicated that sometimes the problem is the lack of community voice that is hindering CSI activity in the area. They said that sometimes PlatiOre wants to make CSI contributions, but they are limited by lack of unanimity from the community in terms of what is wanted. This is particularly so for community-wide projects (such as clinics and schools) rather than for individual participant projects (such as entrepreneur and skills development projects).

Transparency and honesty: Participants implied that there are instances where community engagements by firms are not done in a manner that exhibits principles of transparency and honesty. In Community A, Zakes said that it is important that when Liquipetro engages the community, they are honest and transparent about what they can or cannot do instead of lying to the community. In Community B, participants also raised concerns that PlatiOre is not transparent when it comes to the SLP as the document has not been shared with the community. In Community C, no community engagement issues were raised. However, participants indicated that as part of the YDP, a few participants were selected to run a sanitary pads manufacturing facility (IntimateCare) and they were promised ownership of the project at a later stage. However, there is no clarity on whether such is still the case or not - symbolic of lack of transparency.

Respect: Community B residents expressed the role of respect as a soft skill in community consultation by saying that PlatiOre does not engage the community in a respectful manner, which makes engagements less fruitful. One participant said that PlatiOre disrespects the community and engages elderly people as if they are engaging youngsters. This highlights the importance of observing community traditions where, typical of many traditional cultures, there is sensitivity around the manner in which people of different age groups are addressed.

While all cases presented various elements of public consultation that they believe are negatively impacting the quality of community engagements, transparency was the only aspect that was emphasised in all cases. This places transparency as a critical factor in community engagements for value creation. The results also suggest that for some communities, accounting for individual voice (as shown in Community A) is more important, while community voice is more important in others (as in Community B). This could be due to the fact that Community B has a history of having a divided community owing to the chieftaincy and relocation issues discussed in section 5.2.1 (case description). Logically nonetheless, the two elements (individual voice and community voice) are not mutually exclusive. Firstly, the community itself must have a voice, then a firm must consider not only the voice of the group but the voice of individuals. Lastly, the analysis shows that the level of respect, in the ambit of traditional cultures, can influence the perceived quality of engagement.

Researchers and practitioners alike have been in agreement that stakeholder engagement is critical in the success of social programmes and in understanding social needs (Khan et al., 2000a; Khang & Moe, 2008; Stephan et al., 2016; Tang-Lee, 2016). Meanwhile, the quality of stakeholder engagement approaches has been questionable over the years. In particular, Tang-Lee (2016) explained that more often than not companies use tokenistic forms of stakeholder engagements such as: (i) information dissemination (publishing of documents such as social impact assessment and social labour plans just to inform communities), (ii) pubic consultation (participation without any assurance of concerns being taken into account) and (iii) public placation (engagements aimed at making people less angry or hostile) (Tang-Lee, 2016). The author (Tang-Lee, 2016) agrees that what can be considered adequate engagement will depend on the specific context.

A few researchers have reported on such context-specific elements of stakeholder engagement in tourism development projects (Clausen & Gyimóthy, 2016; Tosun, 2000) and CSI-related fields (Nyembo, 2018; Struyk, 2007; Tang-Lee, 2016). For example, Tosun (2000) acknowledged that culture can be a limit to public participation. He highlighted a few “cultural” factors that affect public participation, namely, apathy and low level of awareness in the local communities. Others have highlighted the importance of transparency during public

participation for social interventions (Nyembo, 2018; Struyk, 2007). For example, in the context of public engagements relating to social licence (Nyembo, 2018), communities emphasised the need for transparency to enable (empower) communities to enter into social licence.

Lastly, some authors presented, though only conceptually and not in relation to public participation, the role of individual voice vs community voice in CSI. In this regard, authors (Renouard, 2010) debate whether CSI should be grounded on maximising happiness or abilities of a greater number of people (utilitarian approaches) (Bentham, 1815, in Renouard, 2010) versus maximising individual freedoms or abilities (Sen, 1998). Renouard (2010) has shown the limitations of both by arguing that utilitarian approaches may not work for CSI because such approaches may ignore inequalities among community members. He also argued that the concept of individual freedoms (Sen, 1998) assumes that individual freedoms are independent of collective community goals.

On the other hand, based on cross-case analysis, this research suggests that regardless of whether the focus is on maximising happiness of a group/community or individuals, public engagements should account for both community and individual voices. For example, individual voice is not only important for projects of individual interests (such as skills development), but also for communal projects, because some members may not feel empowered to engage. Prior research has indeed shown that certain vulnerable members of the society may not feel confident to engage in public engagements owing to their social vulnerabilities in their cultural context (being poor and/or uneducated and/or being female) which make them feel unequal (Clausen & Gyimóthy, 2016; Renouard, 2010; Sen, 1998; Tang-Lee, 2016; Tosun, 2000).

Overall, findings of this research support Tang-Lee's (2016) argument that the quality of stakeholder engagements in specific contexts could affect social value. Furthermore, this research supports arguments that the said quality of engagements will be influenced by elements such as transparency (Nyembo, 2018; Struyk, 2007) and culture (Tosun, 2000). With regard to culture, this research highlights that in African traditional communities (and similar contexts), an understanding of the cultural definition of respect should be considered in stakeholder engagements. Lastly, this research highlights the importance of unlocking both communal and individual voice and draws attention to vulnerable individuals in the community during public participation.

6.4.4. Theme 9: The impact of beneficiary involvement in co-creation on social value capture

This study concludes that social value capture is influenced by the ability of beneficiaries to co-create in the value creation process. Firstly, it emphasises the double-edged nature of social value creation, that it requires contributions from both the firm and its CSI beneficiaries (value co-creation). Secondly, while the firm can encourage value co-creation by ensuring effective community engagements as discussed in the previous subsection (6.4.2), beneficiaries themselves need to be self-driven (clear, ready, cooperative and motivated) to co-create.

In all cases, some participants stated that sometimes companies are eager to create value for individuals in the community but sometimes the beneficiaries themselves are not self-driven, which in turn result in low or no value captured. For example, in Community A, Mocha, who was a beneficiary of Liquipetro's entrepreneur development programmes, argued that Liquipetro is helping the community but sometimes the problem is that community members themselves are not getting up to help themselves (not cooperative). He further indicated that individuals in the community must also be clear on what they want in order to harness the benefits of CSI projects (readiness). In Community B, Luthapo said that when he went to PlatiOre Phakama offices to request support for his business and career, he was given options and he realised that the fact that he was undecided about what he wanted made it difficult for him to harness Phakama services (lack of readiness). Similarly, in Community C, Mpho said that sometimes what makes the YDP unsuccessful is that some people do not demonstrate interest or avail themselves (lack of motivation). He said that some people are too lazy to stand up and look for information (about programmes) that can help them develop (motivation).

From the above cases, it is also clear that the ability of CSI beneficiaries to co-create value is influenced by their self-driven readiness, cooperation and motivation. That is, in order for communities to co-create and therefore capture value, they need clarity on what they want (readiness), they must be willing to do their part (cooperate), and be actively involved (motivated). When these requirements are met, beneficiaries are able to effectively participate in programmes, co-create and also maximise value capture.

The concept of value co-creation has been popularised by marketing literature where the initial proponents of the concept suggested that customers can be seen as co-producers of a service (co-creators of value) instead of only being the receivers of services and value thereof (Vargo & Lusch, 2004). Grönroos (2011) challenged Vargo and Lusch's (2004) notion of value co-creation, raising the concern that customers and firms cannot have equal roles in value co-

creation as implied by Vargo and Lusch. He (Grönroos, 2011) argued that these roles are not equally significant at different points of value creation and therefore the two (firm and customer) cannot necessarily co-create. His argument was that the firm will play the role of a producer while the customer processes the produced goods and services, turning them into value (value in use). Meanwhile Galvagno and Dalli (2014) argued for a much broader view of value co-creation and defined it as a joint, collaborative, concurrent, peer-like process of producing new value, both materially and symbolically, through interaction.

It is the two latter stances on co-creation that resonate with the concept presented in the findings of this research. This is because, firstly, this research finds that sometimes firms provide value offerings, but the individual beneficiaries cannot harness or capture or use what has been created (parallel to Grönroos's (2011) argument of value in use). But also, the centrality of lack of self-driven motivation by beneficiaries to co-create suggested in this research supports the definition by Galvagno and Dalli (2014) which is centred on collaboration and joint efforts.

Grönroos (2011) further emphasised that in co-creation, the customer should integrate other resources into the product offering in order to create value. Such resources can be tangible or intangible; and can also include dynamic functions of human ingenuity and appraisal (Vargo & Lurch, 2004). This means that there is an appreciation that the customer has to make some form of contribution in order to create/capture value. Similarly, this research suggests that communities must make a contribution (tangible or intangible) in order to capture value.

Few authors have researched the concept of value co-creation in the context of social/community value. Even when Bolton et al. (2011) linked value co-creation with CSI (as a value creation process), the focus was on employees as co-creators of social value and not the community as co-creators. These authors only showed that employees can be the co-creators of social value through CSI. Community-based value co-creation has only been implied by researchers stating that there are measures that need to be taken *by a firm* in order to encourage co-creation (using different parallels). Such measures are largely external to the stakeholder making judgement and include (i) ensuring beneficiary involvement and engagement (Stephan et al., 2016; Tang-Lee, 2016), (ii) developing beneficiary capacity to co-create (Struyk, 2007; Yalegama et al., 2016), and (iii) enabling beneficiary capability (Renouard, 2010). This research, on the other hand, emphasises beneficiaries' *internal* measures that contribute to value co-creation (i.e., readiness, cooperation and motivation), rather than company measures.

This research supports stakeholder value creation literature by showing that, similar to customers, communities can capture more value if they contribute to creation (value co-

creation) and they utilise such services (in line with value in use logic). Furthermore, it illuminates the specific intangible resources that communities must possess in order to contribute to value creation (i.e., readiness, cooperation and motivation). Consequently, it argues that social value creation would require that, on one hand, firms understand geography-specific local community needs in order to make offerings according to such needs (theme 7) and, on the other hand, the recipient communities must be ready, cooperative and motivated in order to capture value.

6.4.5. Theme 10: The impact of post-intervention custodianship (and custodian capabilities) on value sustenance

This research suggests that social value sustenance (the ability of social projects to be sustained for continuous value creation) can be impacted by capabilities of institutions that become custodians of a firm's CSI intervention at the end of the implementation phase. This is because while CSI projects are implemented by corporations, more often than not at the end of a given phase, such projects are handed over to government institutions or community-based structures, depending on the boundaries of institutional mandates. For example, companies can be involved in the upgrades of a clinic, but at the end of a given project phase, the custodianship of clinics lies with the Department of Health who is mandated to ensure continuation in the provision of health services. Participants highlighted how such handovers associated with institutional mandates can negatively affect sustainability/continuity of CSI projects.

In Community A, Boni indicated that when Liquipetro initiated the recycling project aimed at minimising solid waste pollution, everything was functioning well (visible impact on cleanliness and good engagements with the community), but once the local government took over, the performance of the project was unsatisfactory. This project was handed over to the municipality because waste management is a constitutional mandate of local government.

In Community B, residents did not raise any challenges regarding post-intervention custodianship experienced. However, using a hypothetical situation, one participant in Community B suggested that communal projects must be handed over to the tribal authority instead of being handed over to a random group of individuals, because the tribal authority has structures in place to ensure continued running of the project.

No hand-over issues or suggestions were made in Community C. However, from the two cases (Community A and Community B), it is suggested that for CSI projects that require handovers or transfers, value sustenance will depend on the capacity of the custodian institutions (either the municipality or tribal authority).

There is general paucity of literature on critical elements that influence social value sustenance, which is the ability of the community to continue receiving value of projects even after the corporate or original project implementer has discontinued their involvement. This is because mainstream project management literature is concerned with a limited number of phases of a project from planning, start to closure (Khang & Moe, 2008), owing to the definition of a project as having distinct start and end boundaries. Consequently, success factors of such projects are often presented in terms of time, budget and quality dimensions associated with these start-to-end phases. It is because of this that others have argued for a distinction between project management success and project success (Cooke-Davies, 2002) so that factors affecting the intended outcomes of the project can be elevated (Khang & Moe, 2008).

Khang and Moe (2008) emphasised that the need to account for project (instead of project management) success factors is more relevant for social projects, which are unique to other profit seeking projects such as IT and construction projects because of the complexity of stakeholders involved and nature of outcomes, and result in different aspects to be considered at different phases of the project lifecycle. Using international development projects in their study, Khang and Moe (2008) demonstrated that among other elements to be considered for social projects are provisions for project closure, which should account for, among other things, local institutional capacity to sustain the project.

This makes institutional capacity of the social project custodian important for project value sustenance. In most cases the custodian of communal CSI projects (e.g., health, education, waste management projects) is government departments whose mandate is aligned to the project; hence the focus is on government capacity to sustain such projects in the proceeding paragraphs.

Literature has developed typologies of government capacities, (i.e., despotic powers, infrastructural powers and social control), all related to the ability of government to make decisions (Polidano, 2000), as well as institutional, technical, political and administrative capacities (Wallis & Dollery, 2001). Of interest to this research is social control (Migdal, 1988) which refers to the capacity of government to extract resources which enables it to operate and achieve its ends (Migdal, 1988; Polidano, 2000). In the context of CSI, this capability can be interpreted as the ability of the CSI project custodian institutions/governments to harness and maintain CSI projects in order to meet their social mandates (which can further be influenced by, for example, political instability and economic circumstances, operational efficiencies which many developing countries are notoriously lacking) (Polidano, 2000).

Although this research has not investigated the nature of capacities required from custodian organisations, it was clear that social value sustenance of CSI projects will be impacted by the

capacity of the custodian organisation. It is argued that some CSI projects fail to continue creating value for communities when government institutions take over the custodianship of the project from firms as per institutional mandates.

Understanding this and other factors that influence value sustenance associated with social projects is important because while in project management a project by definition has to have start and end dates, social project success may not always have an end date. As such, unlike other projects whose success factors are congruent with the distinct start and end boundaries of projects, social projects'/CSI projects' success factors should go beyond the official end-date of the project.

6.4.6. Theme 11: The impact of corruption on value creation

Communities perceived the ability of a firm to create value as being negatively affected by corruption and bribery aimed at avoiding community demands. In earlier chapters it was indicated that CSI processes can take proactive or reactive forms where, in the latter, communities make a request to firms for specific CSI interventions. Within this approach, communities may identify representatives who will present their needs to a firm. Both Community A and Community B residents submitted that when the community members appoint representatives to present their needs, corporations bribe the representatives by either irregularly awarding them projects or absorb them into their workforce. This tends to cause divisions in the community and eliminates the need for the firm to meet community needs.

As with any corrupt activity, this corporate misconduct in CSI space is enabled by willing participants which are community representatives. Community members explained that the reason corporations are able to use these so-called divide and rule tactics is because they know that community representatives are financially poor and can take any offer for themselves at the expense of community needs. Participants used phrases like "*everyone has a price*" which is indicative of a perceived corruption culture in the area.

Participants in Community A and Community C also indicated that it is not only the firms that are corrupt, but also the agents appointed by firms to implement CSI projects. These implementing agents are said to be looking for their own self-enrichment instead of serving communities.

In Community B, traditional leadership disputes (regarding the rightful heir to the Chieftaincy), driven by greed and corruption in tribal authority further perpetuate unconducive conditions for corporations to implement CSI interventions because companies do not know who to engage as a legitimate leader of the community. This is because (though arguably so), traditional

leaders are seen as the ultimate decision makers on matters relating to the land they rule (including CSI matters) and, therefore, any CSI activity that PlatiOre must implement is seen as requiring approval by a chief. This approval often comes with personal financial interest on the side of the chief(s).

Although participants themselves were hesitant to elaborate on how Community B chiefs benefitted from CSI activities, documentary data report that former King Dala personally benefitted from contracts with the mine and his mother (the Queen) received surface lease rental proceeds from PlatiOre without sharing such with the community (Pickering & Nyapiso, 2017). Indeed, the issue or self-serving/instrumental traditional leaders in respect of mine/corporate contributions to the community has been questioned in other areas of the country. Drawing from the example of the Royal Bafokeng in the North West Province, Pickering and Nyapiso (2017) questioned whether the corporate investments made were beneficial to the community at large or were limited to creating royal riches.

All cases indicate that communities perceive corruption as a deterrent to value creation. Two types of corruption emanate from this data – one where the firms bribe community representatives to avoid social accountability (Community A & Community B), and the other where implementing agents and community leaders (including chiefs) use CSI money for self-enrichment (Community A, Community C and Community B).

Castro et al. (2020) have argued that academic literature on corruption has focused on government corruption rather than corporate corruption, despite the intricate role of corporations on corruption and its unique context. They contended that corporate corruption is unique because, unlike government corruption, it is driven by competitiveness and risk minimisation under uncertain conditions (Castro et al., 2020; Søreide, 2009).

Corporate corruption itself is a complex multidimensional construct (Zyglidopoulos et al., 2017). Firstly, it can happen at individual managerial level or at organisational (collective) level (Zyglidopoulos et al., 2017). At individual level, corruption can happen at *first order* where individuals abuse existing norms and rules for personal gains, or at *second order* where individual(s) change the existing norms and rules for unfair gains (Zyglidopoulos, 2015). Castro et al. (2020) has provided more nuanced taxonomy of corporate corruption: i.e., corporate corruption as rational action, corporate corruption as institutionalised practice, corporate corruption as cultural norm, and corporate corruption as moral failure. Meanwhile, others make a distinction between “grand” and “petty” corruption; where the former involves millions and the latter involves small moneys. Lastly, Keig et al. (2015) distinguished between formal and informal corruption, where formal corruption involves agents in formal institutions, while informal corruption extends to individual citizens as part of *everyday* culture.

The latter taxonomy is the most useful for this research because it entails the exchange between the citizens and the big corporations as part of everyday culture, which is what was reported in this research. However, findings of this research are unique because, unlike others (Keig et al., 2015; Nystrand, 2014) who presented informal corruption as citizens bribing formal institutions, this research presents informal corruption in instances where the formal institution (corporate) is the briber and individual citizens are the *bribees*. It is indeed because of these complexities and the heterogeneous nature of corruption that Zyglidopoulos et al. (2017) recommended that future research must consider more granular details of corporate corruption in various contexts under which it occurs.

Literature on corruption and social value is under-developed (Castro et al., 2020). So far, the links between corruption and social value are only showing that countrywide corruption environments may deter multinationals from investing and actively participating in CSI in such countries (Rodriguez et al., 2006), and that suggests that overall corruption environments in the country are linked to corporate social irresponsibility (perceived violations of socially acceptable standards) (Keig et al., 2015). While these researchers showed the impact of countrywide corruption environments on corporations' CSI intentions (Rodriguez et al., 2006) and on social irresponsibility (acts that are deemed to be violating perceived socially acceptable standards) (Keig et al., 2015), this research shows the impact of corruption environments (corporate induced) on social value creation. This research also presents a unique direction of bribery, where instead of informal corruption being from citizens to formal institution agents (Keig et al., 2015; Nystrand, 2014), the direction can also be from formal agents to citizens.

Lastly, this research presents a unique case showing the role of traditional leadership in CSI-related corruption in the South African context; thus bringing literature on traditional governance to stakeholder value creation literature. Previous traditional governance literature has so far only paid attention to the role and powers of traditional leadership pre- and post-democratic states (George & Binza, 2011; Houston, 1996; Ray & Reddy, 2003; Tlhoaele, 2012) and the power of traditional leaders in influencing communities to support government and political endeavours of political agents (Miller, 1968; Tiwari et al., 2017).

Findings of this research emphasise the power of chiefs regarding the implementation of CSI activities such that any disputes in the tribal house affect CSI activity. Houston (1996) and Ray and Reddy (2003) have argued that the power of chiefs is in their land. Ray and Reddy (2003) in particular argued that in an African context the land gives a chief a sense of pre-colonial legitimacy and values, not in an instrumental western way. However, findings of this research contradict this by showing that chiefs can actually use the power of land in an instrumental

manner, getting involved in CSI and other community-firm relations that are seen as financially benefitting the chief.

6.5. Summary of factors influencing social value

This research illuminated factors that affect positive CSI outcomes or value creation. These include factors that affect the ability of a firm to create value or implement social projects, such as local government involvement, poor understanding of local social needs, quality of engagements and corruption. The research also presented factors that influence the ability of beneficiaries to capture the value created after the firm has implemented the project, such as failure to participate in co-creation and inability to account for individual voices. Lastly, it presented a factor that affects the ability of a project to continuously serve the community (value sustenance), i.e., custodian institution capabilities. The significance of these factors is presented in section 7.2.2.

Chapter 7 : Theoretical contribution

The purpose of this research was to understand ***communities' qualitative perceptions of elements of social value creation processes***. The research was necessitated by the findings of the literature review that value creation is understood from shareholder, supplier and customer perspectives, with little known about community perspectives. Even where some community perspectives were presented, such were narrated (i) in respect of development projects that do not depict community-firm relations, (ii) from a managerial standpoint and (iii) less so from the community's qualitative perspectives. This gap in understanding of community perspectives warranted attention because if stakeholder theory suggests that firms should create value for all its stakeholders (Husted & Allen, 2009; Jonikas, 2014; Lieberman et al., 2017), then value creation should be understood from all stakeholder perspectives. This study therefore aimed at generating an understanding of community value creation from a community perspective.

This chapter presents the theoretical contributions of this research based on community perceptions of CSI initiatives aimed at creating social value. The theoretical contributions are explained taking into account characteristics of a theoretical contribution presented by various authors (Bergh, 2003; Corley & Gioia, 2011; Rynes, 2002; Whetten, 1989). First, a theoretical contribution must demonstrate value by either revising or extending existing theory (Bergh, 2003). Secondly, a theoretical contribution must go beyond adding a variable or factor to the list of variables and provide an explanation of *how* the addition of a factor or variable shifts understanding of a phenomenon (Whetten, 1989). In essence, a theoretical contribution must change the manner in which researchers think about the subject by providing new explanations (Bergh, 2003; Whetten, 1989). Thirdly, a theoretical contribution must demonstrate assumptions associated with theoretical conclusions made, meaning conditions (when, where, who) under which the new theoretical explanation is true (Whetten, 1989). Lastly, a theoretical contribution must present findings that are rare and interesting or even surprising (Bergh, 2003; Corley & Gioia, 2011).

7.1. Contribution to stakeholder value judgement literature

This research makes a contribution to stakeholder value judgement literature by introducing new types of external and internal reference states (Figure 8) that influence stakeholder value judgements. This addition of new reference states enabled this research to demonstrate how stakeholder reference states presented in earlier research will vary according to the type of stakeholder making the judgements, as well as their setting.

To date, only a few authors (Harrison & Wicks, 2013; Lankoski et al., 2016) have started theorising about reference states used by stakeholders when making value judgements from the stakeholder theory perspective. In their conceptual article, Lankoski et al. (2016) used prospect theory to present an understanding of various reference states used by stakeholders when making value judgements. These reference states include:

- *Status quo:* Judgements against past firm performance;
- *External Comparisons:* Judgements against a particular external benchmark such as norms, markets and ideals (including non-acceptance of trade-offs and insisting on best practice); and
- *Internal aspirations:* Judgements against some aspirations that the stakeholder has in mind and believes the firm should meet.

They argued that these types of reference states are used when a person or stakeholder makes value judgements, and therefore influences their judgements (Lankoski et al., 2016). This research is making a contribution by providing additional factors to external comparisons and internal aspiration groups of reference states, as shown below. It is important to note that the reference states presented previously were for all stakeholders, while this research presents a community perspective of such.

7.1.1. Contribution to external reference states in stakeholder value judgement literature

Prior research by Lankoski et al.'s (2016) explains external reference states as external benchmarks that stakeholders used when making judgements and such can be in the form of norms, markets and ideals (including non-acceptance of trade-offs) (refer to section 2.2.4). This research extends their theory on external reference states by adding to this list a new type of external comparison, that is, inter-community comparison. This research argues that communities as a stakeholder to a firm will not only make value judgements of a firm's social initiatives based on external comparisons of norms, markets and ideals (Lankoski et al., 2016), but also based on inter-community contrasts of interventions from the same firm. That is, communities will make judgements based on a comparison of social interventions they receive from a firm versus what other communities in different geographical areas are receiving from the same firm.

The addition of inter-community contrasts is important for theory because it provides a new dimension to the concept of external comparison. In their article, Lankoski et al. (2016) mentioned that stakeholders will generally compare what they get with what others get.

However, Lankoski et al. (2016) only elaborated on this comparison in terms of stakeholders comparing what they get from one company versus another company (an external *market* comparison). Similarly, Harrison and Wicks (2013) made the same argument using the concept of opportunity cost, arguing that stakeholder perceptions will be influenced by one firm's offering in comparison to other firms' offerings. This research on the other hand suggests that stakeholder value judgements can be influenced by one firm's offering across different communities and sub-communities within a community. This argument aligns to Harrison and Wicks' (2013) argument that stakeholder perceptions about a firm will be influenced by perceived distributive justice – stakeholders comparing what they receive with what others are receiving. Thus, in advancing Lankoski's theory, this research shows that stakeholders will use both inter-market comparisons and inter-community comparisons as reference states when making judgements.

This distinction between inter-market and inter-community types of reference states is important because while the former (market comparison) draws from the stance of competition (Lankoski et al., 2016), the latter (inter-community contrast) draws from the distributive justice stance. By making inter-market comparisons, stakeholders are comparing firms' offerings across two or more firms which can translate to one firm gaining or losing a competitive advantage (Donaldson & Preston, 1995; Garriga & Melé, 2004; McWilliams & Siegel, 2011), especially when taking into account the impact of stakeholder perceptions on competitive advantage (Godfrey, 2005). On the other hand, with inter-community comparisons, community stakeholders are comparing firm offerings along the lines of fair distribution of resources from the same firm (distributive justice) (Harrison & Wicks, 2013). These inter-community comparisons (distributive justice concerns) can be expected to be more salient for communities rather than inter-market comparisons because, logically, communities (unlike other stakeholders) cannot simply leave the existing *CSI market* and satisfy their needs with another firm or go to a different community. Their relationship with a firm is somewhat static and inflexible. This makes market comparisons less of a concern in community contexts because there is no such thing as a market in a static community-company relationship.

Secondly, this research adds to the *external ideals* reference state, a new reference state called offsets. Lankoski et al. (2016) argued that stakeholders will make judgements by comparing the performance of a firm against some widely held ideals. For example, the use of best available technology and best practices is an ideal. Absence of trade-offs and protection of the natural environment (and related values) also provides an ideal situation.

This research supported Lankoski et al. (2016) and Harrison and Wicks (2013) by showing that indeed stakeholders will make judgements by making reference to the trade-offs they make,

i.e., goods and services they give up for the value they receive (value exchange). This was particularly so for communities near extractive industries like Community B who made reference to the loss of valuable farmlands to PlatiOre mine when making CSI judgements. This research provides more nuances to Lankoski et al.'s (2016) model by showing that these trade-offs can manifest not only in the form of loss of protected values (intangible), but also in the form of loss of protected personal valuables/assets (tangible) such as farmlands.

In addition to trade-offs, this research argues that stakeholder judgements will be influenced by the presence of offset conditions. For example, in Community A participants indicated that they consider Liquipetro's contributions insufficient, considering the pollution caused by the firm. Pollution is considered to be an offset because it has negative impact on health which counterbalances the health gains harnessed through Liquipetro's clinic upgrades (CSI).

The addition of offsets to Lankoski et al.'s (2016) model is important because offsets are theoretically different from trade-offs as presented in their model. While trade-offs are transactional (involving exchange of goods/services), offsets are an inevitable negative consequence of a firm's activities that counterbalance improvements made in one domain of impact. This contribution changes the way community sacrifices are viewed in the context of firm-community exchanges. It forces researchers to think about not only the sacrifices that involve exchange of valued goods and services (trade-offs), but also sacrifices that counteract the value gains in the same domain of impact.

It also encourages researchers to appreciate the unique nature of community stakeholders in stakeholder value research because while other stakeholders such as customers can only experience trade-offs, stakeholders like communities are likely to experience both trade-offs and offsets. This is because, as indicated earlier, communities have a fixed relationship with a firm and therefore communities cannot choose whether or not to experience an offset condition. They cannot, for example, choose pollution or no pollution conditions whilst receiving the same value from a firm.

This illuminates two unique and crucial aspects about communities as a stakeholder receiving value from a firm. On the one hand, unlike suppliers and customers who can choose between alternative trade partners, communities have one exchange partner and cannot choose. On the other hand, unlike employees who albeit having relatively fixed relations with the firm can still terminate their employment relations, communities cannot simply quit, given their vulnerabilities.

7.1.2. Contribution to internal aspiration reference states in stakeholder value judgement literature

Apart from the external comparisons discussed above, Lankoski et al. (2016) mentioned that stakeholder judgements can be influenced by internal aspirations where they assess company performance relative to an aspired-to level. Internal aspirations are hypothetical benchmarks created by stakeholders in their minds, and are far less accessible to managers than external benchmarks when trying to do a diagnosis. For example, when communities make an inter-community comparison of what a firm is doing for another community, it is easy for managers to assess the two situations and even replicate what was done to one community in the other community. Internal aspirations, on the other hand, cannot be equally envisioned by two individuals, hence they are difficult for managers to assess and address (Lankoski et al., 2016).

Perhaps due to the nature of internal reference states, Lankoski et al. (2016) did not provide details on the examples of internal aspirations that can be deployed by stakeholders when making judgements. This is also because these internal aspirations differ in different local contexts. This research presents for the first time the various internal aspirations that can be used when making value judgements, thus extending Lankoski et al.'s (2016) theory.

Firstly, this research indicates that internal aspirations can be influenced by perceived expectations relating to a firm's capabilities. Stakeholder judgements will be influenced by perceived financial capability (whether they believe the firm has more money to do more or not), perceived moral capability (whether they believe a firm genuinely cares or not) and perceived relational capability (whether a firm has a good relationship with the community) as well as perceived institutional capability (whether they believe that a firm has an institutional mandate in social development or such is the role of government). As demonstrated in section 6.3.2, all these factors give stakeholders perceived expectations of varying magnitudes (internal aspirations) of a firm.

Given these arguments, this research brings aspects of capabilities theory to stakeholder value judgement literature. This is done by showing that while it has been demonstrated in previous research that a firm's capabilities (including CSI capabilities, moral and relational) can impact a firm's competitive advantage (Donaldson & Preston, 1995; Garriga & Melé, 2004; McWilliams & Siegel, 2011), this research argues that community–perceived firm capabilities (financial, moral, relational) can impact their social value judgements and expected level of firm obligation.

Secondly, this research advances the internal aspiration concept by demonstrating South African context-specific elements such as perceived econo-political injustices that influence internal aspirations. This inspires a new thinking around justice theories which have so far been used in stakeholder value perception literature with a focus on distributional, procedural, interactional and informational justices (Harrison & Wicks, 2013). In the said literature, it is stated that stakeholder perceptions are influenced by the extent to which stakeholders perceive the firm as being fair in terms of distribution of resources across people, rules and procedures, relations and information sharing respectively. All these forms of justice are operationalised at micro-level where the focus is on aspects such as distribution, rules, relations between the firm and the community only. In this research, it is advanced that judgement of a firm's value creation can be influenced by macro-level justice where a stakeholder has internal hypothetical expectations based on past macro injustices. This means that macro-level aspects such as national circumstances beyond firm-community interface can affect perceptions about the value created by a firm.

7.1.3. Summary of contribution to stakeholder value judgement

In summary, this research contributed to stakeholder value judgement literature by adding new stakeholder reference states to Lankoski et al.'s (2016) model, as shown in Figure 8 below.

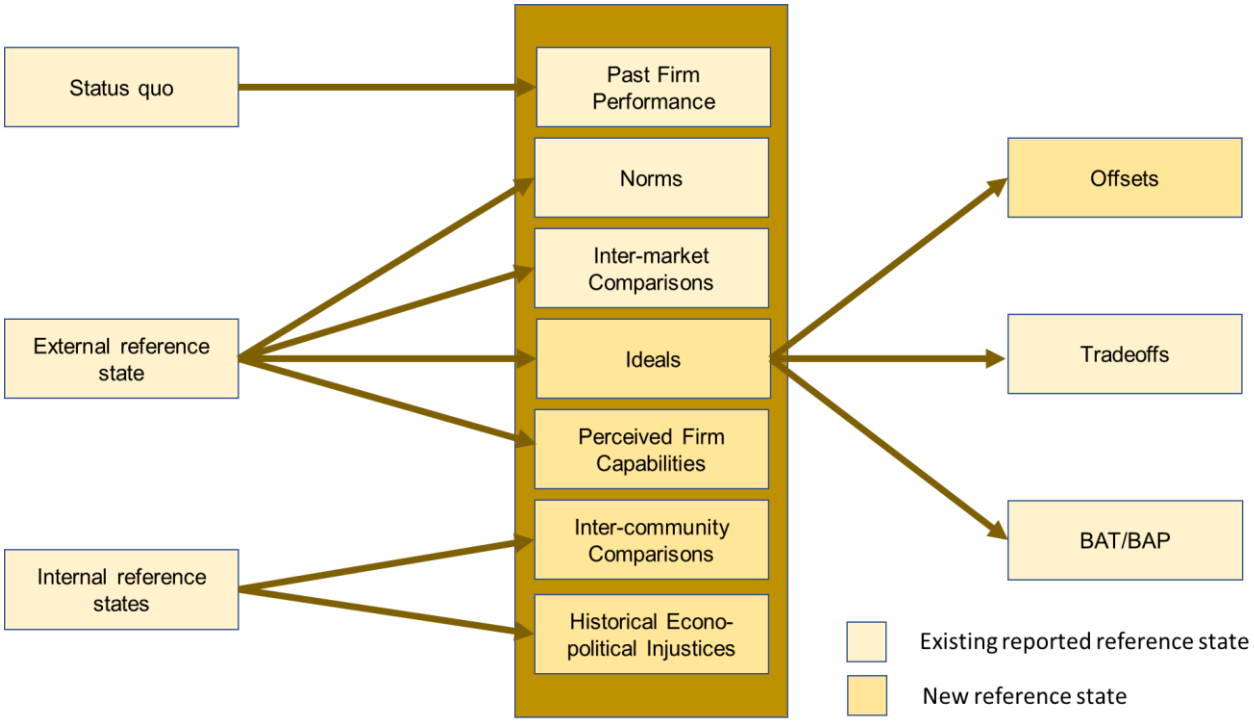

Figure 8: Research contribution to internal and external reference states

Overall, the figure shows status quo, external and internal reference states or factors that mediate their satisfaction with CSI outcomes. The model suggests that in addition to earlier factors (Lankoski et al., 2016), social value judgements will be influenced by offsets, perceived firm capabilities and perceived justice, among others. This brings the emerging concept of stakeholder-perceived firm capabilities and justice theory to stakeholder value judgement literature. That is, communities (and even other stakeholders) will make value judgements under the influence of their perceived firm capabilities as well as perceived justice. Furthermore, these two variables (perceived capabilities and perceived justice) are not mutually exclusive because perceived relational capabilities can also emanate from unjust actions or even perceived injustice. That is, strained relations between the community and a firm can be as a result of unjust firm actions.

This contribution to internal reference states is important because if stakeholder perceptions are important for a firm's competitive advantage (Godfrey, 2005; Harrison & Wicks, 2013; Lankoski et al., 2016), then factors (both external and internal) that influence their perceptions must be fully understood and, where possible, be managed. This understanding also allows researchers to appreciate the complexities involved when stakeholders appraise good deeds of a firm, such as CSI deeds. This is because although there is generally an agreement in terms of *doing no harm* because external reference benchmarks (such as legislation) can be used, there is no general agreement when it comes to *doing good* because of the deployment of both external reference benchmarks AND internal aspirations. The use of internal aspirations in a firm's good deeds creates complications that leave managers with the question of how good is good enough. This research illuminates factors that the managers can consider in their endeavours to *do good*. Furthermore, the community context to stakeholder reference states it is important because it illuminates the ideas in the context of one specific stakeholder, perhaps showing how there might be variability of these factors based on the type of stakeholder that is making the judgements.

7.2. Contribution to social value literature

This research has presented factors that influence social value or the success of CSI initiatives from a community perspective. Previous literature investigated elements that contribute to the success of social programmes implemented by development agencies (rather than CSI projects) (Diallo & Thuillier, 2004; Khan et al., 2000; Khang & Moe, 2008; Struyk, 2007; Yalegama et al., 2016). Details of the factors were provided in Table 1 and included: Leadership support, multi-actor structure, beneficiary skills, effective consultation, competency of implementing personnel, enabling community environment and early detection of problems.

This study extended these by revealing new factors that influence the success of social projects, specifically in a firm-community context rather than in projects. This context distinction is important for theory because, as indicated earlier (section 2.4), developmental projects have a different motive to CSI projects and therefore have different intended outcomes and different factors that influence such outcomes (Cooke-Davies, 2002; Gond et al., 2009; Jonikas, 2012; Porter & Kramer, 2011). Nonetheless, some of these factors depicted here will still apply to all social projects.

By presenting these types of factors, the study extends stakeholder theory of value creation which suggests that firms should create value for stakeholders (Husted & Allen, 2009; Jonikas, 2014; Lieberman et al., 2017). Factors that affect value creation for other stakeholders have been presented for stakeholders such as shareholders (Edmans, 2011; Fiordelisi & Molyneux, 2010; Gruca & Rego, 2005; Raithel & Schwaiger, 2015) and suppliers (Garcia-Castro & Aguilera, 2015; Smals & Smits, 2012; Walter et al., 2001). Where community factors that affect community value creation are presented, it is usually from a managerial or researcher perspective rather than a community/beneficiary perspective.

The community perspective provided by this research is important because if stakeholder theory posits that firms must create value for stakeholders, then there must be a stakeholder-centred view (not a firm-centred or manager-centred view) on all elements of value creation. This research therefore takes the view that value is personal and perception-based, making factors that affect it personal to specific stakeholders.

7.2.1. Factors affecting value creation, value capture and value sustenance

This research revealed factors that influence value creation or the ability of firms to implement CSI interventions and create positive outcomes. It also depicted factors that affect value capture or the ability of community members to harness value created. Lastly, this research has revealed factors that affect value sustenance or the ability of a project to continue serving the community and generating value even after the firm is no longer involved in a project. These are summarised in the following paragraphs:

Local government: Social value creation depends on the efficiencies of local government when local government is involved in CSI matters, particularly in areas where political prominence is high. As shown in Community A, local government politicians are involved in CSI matters and such involvement comes with negative impacts of local government maladministration issues infiltrating CSI space.

Understanding of local needs: Social value creation depends on the extent to which firms understand local social needs rather than simply conforming to market (Carroll, 1979), institutional (in the case of MNEs) (Husted & Allen, 2006) and national (Kroeger & Weber, 2015) norms and practices.

Quality of community engagements: Social value creation depends on the quality of community engagements. This includes the extent to which such engagements account for individual voice, community voice, transparency and respect.

Corruption: Social value creation is negatively affected by corruption activities between firms and community representatives.

Beneficiary co-creation: Value capture depends on (in addition to external capabilities) internal capabilities of beneficiaries to co-create. Internal capabilities include individuals' readiness, co-operation and motivation/willingness to participate in co-creation, while external capabilities involve being empowered (by a firm) to participate.

Accounting for individual voice: Value capture depends on the ability of beneficiaries to have a voice on CSI decisions. That is, when beneficiaries do not voice their opinions during CSI-related public consultations, firms will continue implementing projects that are not in line with beneficiary aspirations, and therefore the beneficiary cannot harness the value of such projects.

Custodian capabilities: Value sustenance depends on capabilities of post-CSI project custodian institutions. Most CSI projects are handed over to government or other institutions post-development and the capabilities of such custodian institutions can influence the ability of communities to continue harnessing the value of such projects.

7.2.2. Summary of contribution to social value literature

This research illuminated factors that affect positive CSI outcomes or value creation. These are depicted in Figure 9 below.

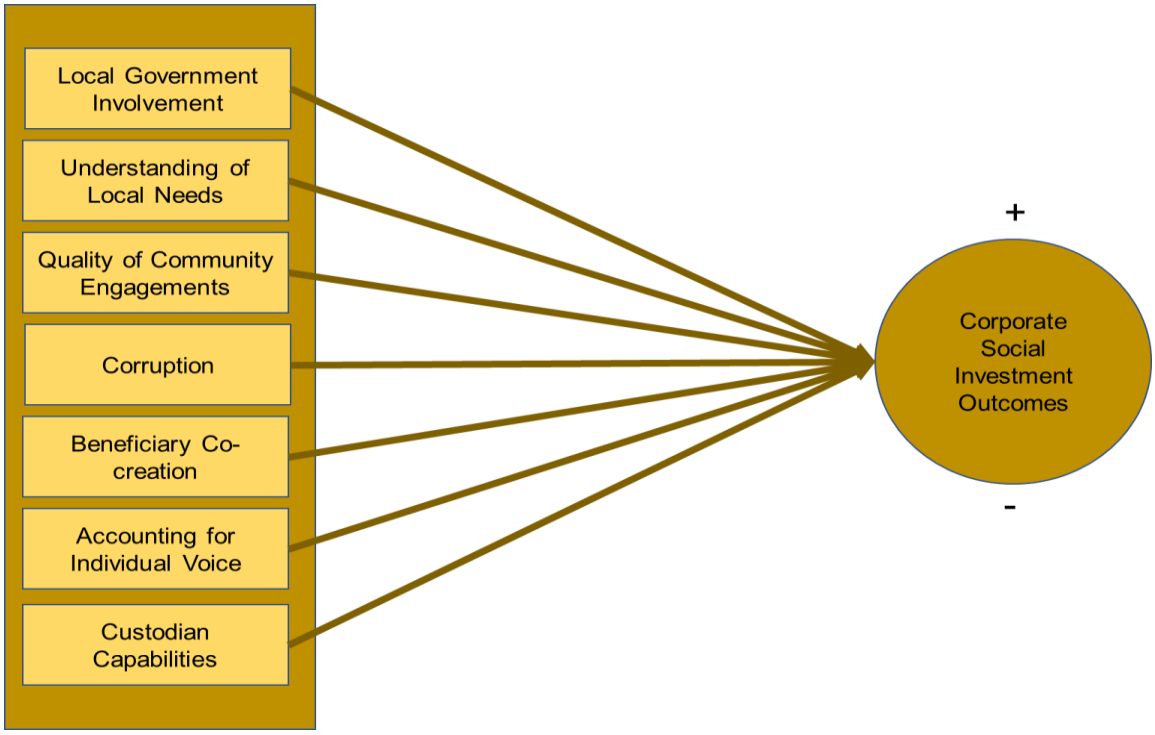

Figure 9: Factors influencing social value outcomes (this research)

By adding these factors, this research expands the stakeholder value creation literature which has so far presented factors affecting value creation for other stakeholders (customers, shareholders, suppliers) and not for community stakeholders. It also brings the issues of capabilities to stakeholder theory. That is, for example, capabilities of participants (to have a voice and participate in co-creation) and institutional capabilities of a custodian organisation post-project implementation are critical in value creation. This shifts the focus from only firm capabilities to integrated capabilities of all stakeholders involved in CSI.

The distinction between factors that affect value creation, value capture and value sustenance is important because it highlights the fact that even perfectly implemented projects can be valueless unless community-specific elements that enable value capture and value sustenance are in place. This also forces value creation and project success literature to consider factors that affect all phases of the project beyond a limited number of phases of a project from planning, start, to closure, as is the case with other projects such as construction and IT projects.

Thirdly, the findings also provide developing-country specific factors that have both theoretical and practical implications for firms operating in such countries. For example, this research has demonstrated the importance of voice in value creation. Some people are not able to present themselves in public meetings owing to their level of education, wealth, gender and general sense of worth, which consequently affects their value capture. This suggests that public

participation should not be seen as the golden approach unless it accounts for individual voices. This is particularly so in developing countries where more educated and wealthier members of the community (elites) are often seen as the voice of the community, which is flawed (Tosun, 2000). Furthermore, gender can play a role in individual voice as some cultures can be (actively or passively) suppressive to voices of women. These cultural limits are very important for studying CSI in a developing country context where it will be flawed to assume that participation is equal.

Lastly, this research highlighted the powerful role of traditional authorities, where CSI activity can be delayed by frictions in tribal authority owing to the understanding of the power of traditional leaders in decision making, and the often-underlying self-enrichment opportunities. Although this was only observed in one case, it is very typical in African communities to have some form of leadership in the community (tribal, political or social leaders) and when there are contestations on the legitimacy of a particular leader, CSI intentions and value creation can be affected.

7.3. Contribution to corporate social performance literature

This research provides a different lens to the theory of corporate social performance by bringing in a community perspective, which is different from the researcher or managerial perspective that was presented in earlier research (Carroll, 1979; Jamali & Mirshak, 2007; Wood, 1991). In 1991, Wood championed seminal work on corporate social performance (CSP). In his model, Wood (1991) argued that corporate social performance from a research and practitioner perspective should be considered a product of (i) a firm's principles or *motive* for CSI, (ii) *processes* engaged by a firm in its social responsiveness, as well as (iii) observable *outcomes* as they relate to the firm's societal relationships.

This research provides a community perspective of Wood's (1991) model, which is slightly different from the researcher's/practitioner's perspective. Firstly, with regard to *motives*, Wood and others have argued that firms undertake CSI initiatives for normative, instrumental, legal and relational reasons (Aguilera et al., 2007; Garriga & Melé, 2004; Wood, 1991). This present research, on the other hand, suggests that from the community perspective, firms should undertake CSI for justice reasons. In addition to justice influencing their value judgements (as a reference state), participants mentioned justice-related elements as reasons for expecting firms to implement CSI initiatives, for example, insisting that firms should implement CSI initiatives because they took the land, because they are polluting, and for historical econo-political reasons. Thus, from the community perspective, the motive for a firm should be to address past or current injustices.

Secondly, the model suggests that researchers must consider the process deployed by firms to deliver on social interventions or the process of social responsiveness. In this regard, Carroll (1979) has provided more nuances in his theory of corporate responsiveness. Carroll's (1979) theory suggests that the approach used by firms to respond to social issues can entail, among others, reactive/defensive strategies or proactive strategies. According to the theory, defensive strategies entail doing what is required for legal and public relations motives (Davis & Blomstrom, 1975, in Carroll, 1979). The present research expands this theory by demonstrating that defensive strategies (doing only what is required) can, in addition to being for legal and public relations motives, be for risk management motives (avoiding social unrest that may lead to profit losses). This is important for the literature because it adds a nuance to the concept of "social responsiveness" by bringing an element of "forced response", shifting the theory from focusing only on "firms doing what is required" to "firms doing what is demanded by the community" in instances where the community has some leverage.

This perspective also prompts researchers to think about the difference in CSI approaches aimed at "doing good" versus approaches aimed at "avoiding the bad." This is also important because even CSI researchers who conceptualised the motives of CSI and maintained that CSI can be a means of creating gains for the firm (i.e., instrumental motives) (Aguilera et al., 2007; Garriga & Melé, 2004; Jonikas, 2012) seldom conceptualised CSI as a means to avoid losses.

Lastly, the model advocates the consideration of outcomes of CSI initiatives. This research shows (based on community appraisals of projects, section 6.2.1) that the consideration of outcomes should go beyond a list of primary outcomes but should also consider secondary outcomes which are largely ignored in the literature. The consideration of secondary impacts or downstream consequences was suggested in Wood (1991) and this research provides further details on the nature of secondary impacts. It advances that the consideration of secondary outcomes should not only be about consequential impacts and higher domains (Rawhouser et al., 2017) but also at different domains of impact regardless of the level of analysis. Consideration should also be given to tangible and intangible impacts that affect people in a meaningful way.

In summary, this research presents a community perspective of a corporate performance model (Figure 10). Firstly, with regard to motives, this research illuminates that while it has been argued that firms implement CSI for normative, economic, legal and relational reasons, some communities may in addition expect that firms implement CSI for justice reasons. Secondly, with regard to social responsiveness, communities view defensive response strategies as also related to avoid social unrest and associated risks and losses to business,

in addition to other types of responses. Lastly, regarding outcomes, this research highlights the importance of considering multidomain impacts in addition to multilevel impacts when evaluating outcomes of CSI activities.

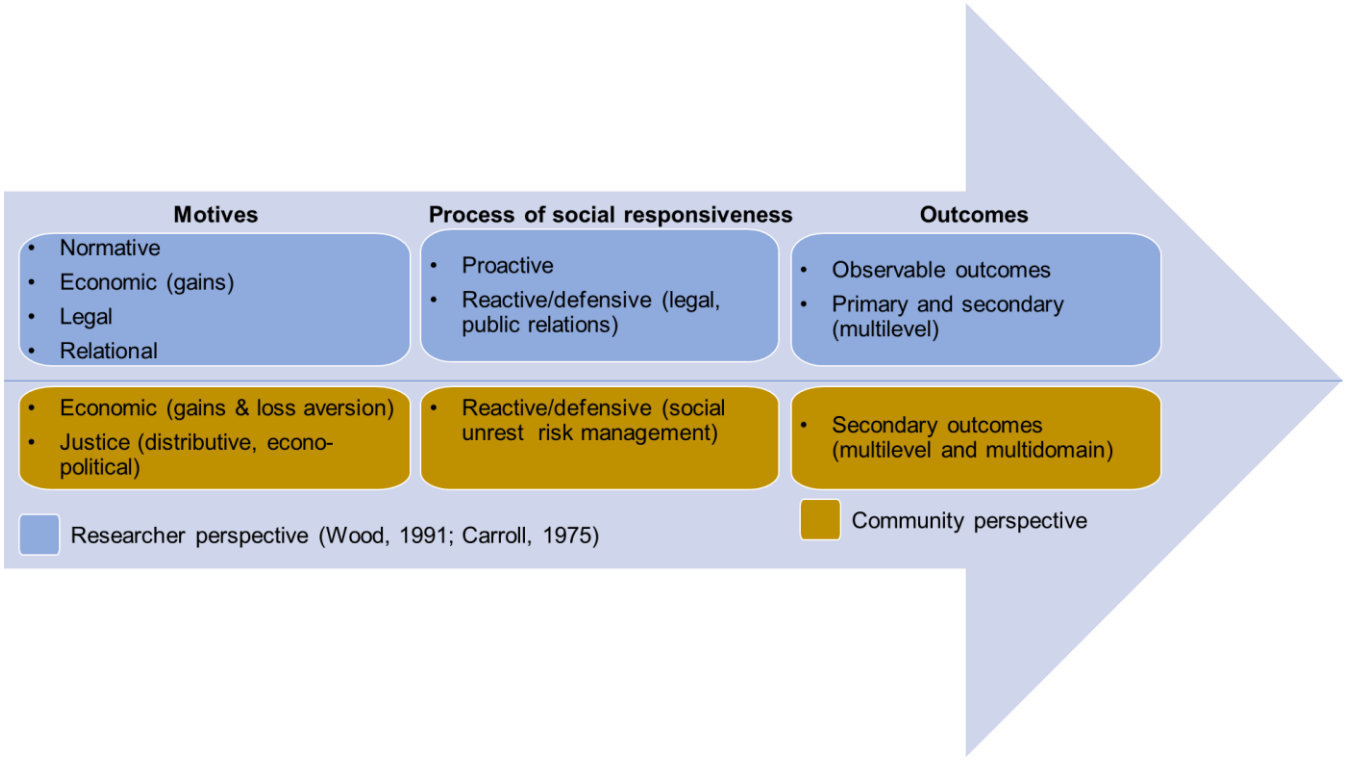

Figure 10: Researcher vs community perspective on a model for corporate performance

The above-mentioned contributions to the social performance model are important for theory because they provide a community perspective of corporate social performance appraisal which is different from what was presented earlier from researchers and managerial perspectives. This prompts future research to consider the linkages between a firm's motive for CSI and its process of social responsiveness. Arguably, one would think that when firms implement CSI because they have something to gain (instrumental motives), they will do so proactively, and when done for discretionary reasons, the process of responsiveness can be reactive or ad hoc. The results of this study, on the other hand, suggest that firms can deploy reactive/defensive strategies even for instrumental motives as is the case when avoiding protests, albeit a unique form of instrumental CSI (i.e., profit loss aversion instead of gains creation).

7.4. Summary of theoretical contributions

The findings of this research provide an understanding of (i) communities' views about elements that contribute negatively or positively to CSI outcomes and (ii) elements that influence their appraisal/judgement of such outcomes. This research also illuminates the

community perspective of elements that should be considered when managers evaluate CSI initiatives using Woods' model of motives, processes and outcomes.

By presenting new elements that influence CSI outcomes, this research is expanding on the existing factors that influence the social value of projects (for all social projects) and closes a gap in literature of factors affecting value creation from a stakeholder theory perspective (for firm-related projects). This research further provides a community perspective which enables a distinction between factors that contribute to value creation, value capture and value sustenance. This distinction is important because it shows that even perfectly implemented projects can be valueless unless they take into account these aspects of value. The developing country context reinforces the latter statement.

Secondly, by presenting factors that influence community appraisals or value judgements of CSI, this research expands Lankoski et al.'s (2016) model regarding various reference states that influence stakeholder judgements. These new additions to the model show that communities as stakeholder to the firm may have a unique set of reference states given that their relationship with the firm is static and they do not have alternative markets like other stakeholders such as suppliers, customers and employees. This research also expands on Lankoski et al.'s model by presenting context-specific internal reference states such as econo-political injustices. This addition is important because it changes the way in which justice theories were applied to CSI before, that is, from focusing on micro-level aspects of justice (community-firm interface) to macro-level aspects of justice (national-governments-firm-community interface).

These two broad contributions enabled this research to develop an integrated model of social value appraisal from a community perspective. This is presented in Figure 11.

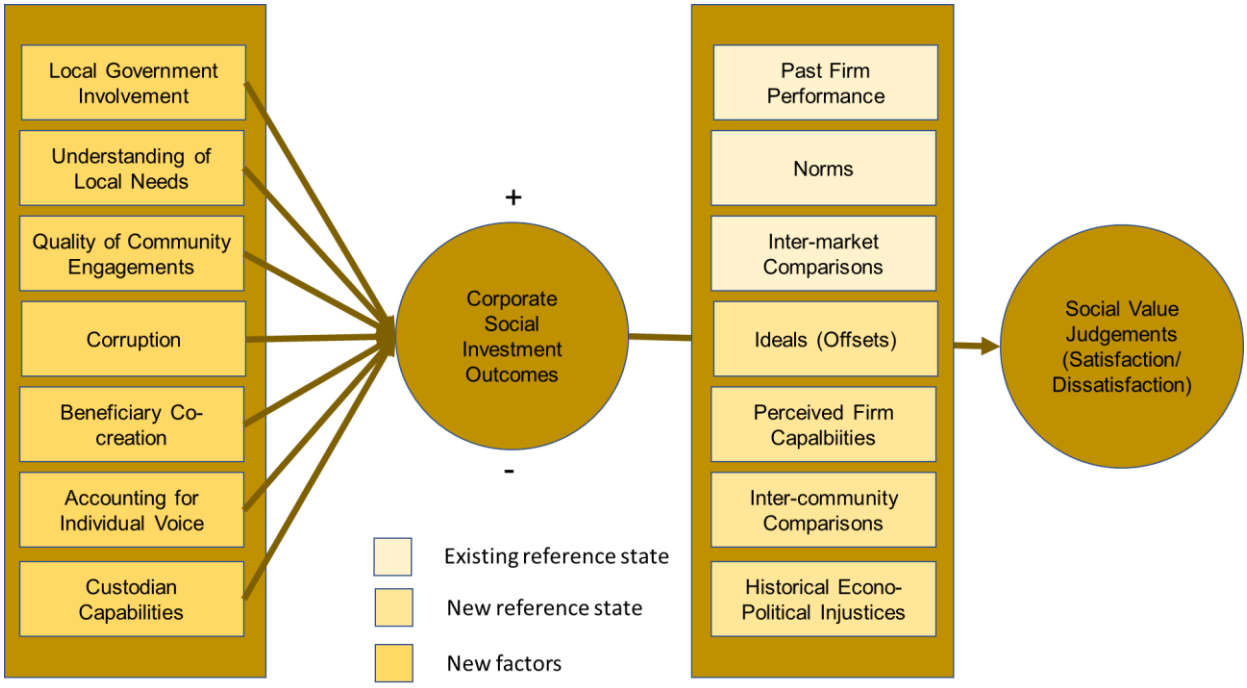

Figure 11: A community-based model for social value appraisal

Overall, the model suggests that from a community's' perspective,

(i) there are various elements that influence CSI outcomes positively or negatively; and

(ii) for a given CSI outcome, community appraisal/judgement (satisfaction or dissatisfaction with the outcome) will be mediated by the various reference states that the community deploys.

The consideration of both elements that influence outcomes and elements that influence judgement is important because value creation is not only about the absolute presence of a positive outcome but also how a positive (or even negative) outcome in appraised or judged by a stakeholder.

Chapter 8 : Conclusions and recommendations

This research used stakeholder theory of value creation as a lens to understand community perceptions of CSR initiatives and social value creation. This chapter provides a summary of the significance of this study, methodology, results, theoretical contribution, practical and methodological implications, study limitations and recommendations for future research.

8.1. Summary of study significance

This study was necessitated by the fact that despite communities being an important stakeholder to the firm, literature on value creation for firm stakeholders has focused on value creation for shareholders, customers and suppliers, with communities being among the ignored stakeholders when it comes to value creation. Even literature on CSI (which is a mechanism of community/social value creation) has focused on how implementation of CSI influences a firm's performance, and provides a competitive advantage.

Meanwhile, literature on stakeholder value judgement has articulated various elements that influence stakeholder judgements. However, these elements have been presented generically for all stakeholders, without a specific focus on communities in their unique context.

This research provides a community perspective which is important for theory because if stakeholder theory posits that firms must create value for stakeholders, then value creation processes and elements must be understood from specific stakeholders' perspectives. This is referred to as a stakeholder-centred view of value. This is also important for practice because by understanding communities' perceptions regarding value creation, managers can be geared to deliver CSI projects that take into account such perceptions. Consequently, this will improve the value of CSI initiatives

This research addressed these gaps by answering a number of research questions. The main research question that guided this study was: **"*What are communities' qualitative perceptions of elements of social value creation processes, and elements of value judgements?*"** The following exploratory sub-questions were investigated in relation to the main research question:

a) *How do communities construct their understanding of social value creation processes by local firms (i.e., social responsiveness)?*
b) *What do communities identify and interpret as factors that affect value creation?*
c) *How do communities present their qualitative judgements of social value?*
d) *What elements influence communities' value judgements?*

8.2. Summary of methodology

To answer the above questions, data were collected from three South Africa communities that had experienced CSI projects from corporations in their localities. These communities were identified based on information provided in the 2017 Trialogue report and the respective companies' sustainability reports. A total of three communities were subsequently selected for the study (Communities A, B and C).

In each community, non-probability, purposive sampling was used to select study participants. Through this approach, information-rich individuals were identified and interviewed. Subsequent interviewees were identified through snowballing. In the end, a total of 39 participants were interviewed in all three communities. Section 4.2 provided justification for the number of participants. Eight contact interviews were conducted before the advent of COVID-19 restrictions, and the remaining 31 interviews were conducted telephonically due to COVID restrictions.

Documents and archival data were also used to obtain additional depth of understanding and for triangulation. This included company sustainability reports, social labour plans, previous research on these communities and local news/media reports.

Data were analysed inductively by first generating codes on Atlas.ti. The codes with similar characteristics were then grouped into categories (or code groups in Atlas.ti). Categories were used to develop themes using logic models and patterns to develop explanations based on the researcher's understanding of theory. Lastly, the theoretical explanations and contributions were reported in this thesis.

8.3. Summary of results

This section summarises the results of the study in relation to research questions. The research answered all four research sub-questions by providing:

- Community understanding of the value creation process or processes of social responsiveness;
- Different ways in which communities make social value judgements;
- Reference states used by communities (and applicable to other stakeholders) in making value judgements; and
- Factors that influence social value creation, capture and sustenance.

Sub-question (a): How do communities construct their understanding of value creation processes?

In terms of process understanding, this research showed that different communities and individuals in the same community will have different understandings of value creation processes. Others (e.g., Community A) understood CSI processes to entail reactive ad hoc approaches where any individual can approach the firm with a concept or funding proposal or proactive multisector analysis approach led by a committee/trust where community needs are identified for various sectors through sector champions. Community B understood CSI processes to be only through reactive approaches triggered by community demands through community representatives or by social unrest. And lastly, in Community C, participants did not have an understanding of the underlying processes that led to the implementation of YDP.

Furthermore, the research found that the level of awareness of CSI processes by different communities is influenced by their *fencelineness* and fenceline tenure. That is, communities that are closer to the fenceline would have better understanding than communities that area further away because CSI is historically and therefore more often associated with extractive industries that operate as neighbours to communities.

Sub-question (b): What are the different ways in which communities express satisfaction with CSI outcomes?

This research showed that communities will make social value judgements at company level and at project level. At project level, all communities (Community A, Community B and Community C) made judgements in two ways:

(i) Satisfaction: Communities will express satisfaction by providing qualitative descriptions and/or comparisons of social conditions prior and post-CSI project (pre-post comparisons), thus referring to all conditions before the CSI intervention and after the intervention.

(ii) Satisfaction and dissatisfaction: Communities will express both satisfaction and dissatisfaction by making absolute assessments of CSI project outcomes by indicating how a given project is performing on its own merit, without making comparisons of prior situations.

Furthermore, this research demonstrated that as communities make absolute assessments of outcomes, they consider both tangible outcomes and consequential intangible outcomes (impacts), with the latter entailing consequential impact on people's lives in a more intangible manner.

Lastly, this research highlighted the importance of considering secondary outcomes in social value creation. These secondary outcomes in the context of this research refer to outcomes that affect a different domain after affecting the primary domain. This definition is different from secondary impacts implied in Rawhouser et al. (2017) which suggests additional outcomes at a higher level of analysis (which can be in the same domain).

Sub-question (c): What elements influence social value judgements by communities?

This research has shown that there are various elements that influence a community's value judgements. This research identified six elements as follows:

- *External Comparison – Inter-community*: Where communities use contributions by the same firm in a different geographic area as a benchmark when making positive and negative judgements.
- *External comparison – Ideals, trade-offs*: Where some communities (in particular Community B) use a situation prior to their loss of valuables or assets at the time they make a transaction with the firm as a reference point when making negative judgements.
- *External comparison – offsets:* Where communities use the presence of offset conditions (such as pollution) as a benchmark when making negative judgements.
- *Perceived firm capabilities:* Where positive and negative value judgements are influenced by whether a community (i) believes that a firm has enough money to do more (perceived financial capability) (ii) believes that a firm cares for the community (perceived corporate moral capability) and (iii) there are good community firm relations (relational capability).
- *Historical econo-political justice:* Where some communities (Community A only) make negative value judgements based on their perceptions of apartheid injustices and how firms like Liquipetro benefitted economically from such.
- *Division of labour between corporate and government:* Where communities make positive and negative judgements of CSI based on their perceived institutional role of a firm vs government in social development matters. Positive judgements are made when community members believe that what firms are doing in CSI falls under the government mandate.

Overall, these findings expand the work of Lankoski et al. (2016) on elements and reference states used by stakeholders when making value judgements by identifying additional elements used specifically by communities as stakeholders when judging CSI activity.

Sub-question (d): What do communities identify (and interpret) as elements or factors that affect value creation?

This research has shown that there are various elements that influence a community's value judgements. First there are factors that influence value creation by a firm because they inhibit the successful implementation of CSI projects, then there are factors that affect communities' ability to capture value once created and, lastly, factors that affect value sustenance or continued value.

Local government involvement: The involvement of government was viewed by the community as having both positive and negative impacts on value creation from leadership and institutional dimensions. For example, local government leaders can influence CSI negatively when they are corrupt and positively when they support CSI interventions. From an institutional dimension, local government involvement can assist in ensuring alignment between CSI interventions and local government strategic objectives, but, on the other hand, this involvement can make CSI projects suffer the impact of local government maladministration.

Quality of community engagements: This research suggests that social value creation is influenced by the extent to which public consultation as part of CSI attends to context-specific elements that may influence the effectiveness and impacts of such engagements. Such elements include individual voice, community voice, transparency, honesty and respect.

Understanding variable community needs: Value capture is influenced by the extent to which a CSI intervention is aligned to social needs in specific contexts. When CSI is implemented simply to conform to market norms and fails to take into account community-specific needs, such projects fail to attain ownership by the community and become white elephants, with the intended value uncaptured.

Beneficiary involvement in co-creation: Social value capture is influenced by the ability of beneficiaries to co-create in the value creation process. It is important that beneficiaries are clear, ready, cooperative and motivated to co-create.

Capacity of CSI project custodians: Social value sustenance is influenced by the capacity of institutions that become custodians of a firm's CSI intervention at the end of the implementation phase. These custodians include government institutions or community-based structures, depending on the boundaries of institutional mandates.

Corporate and community leadership corruption: Communities perceive the ability of a firm to create value as being negatively influenced by corporate irresponsibility in the form of corruption and bribes to community representatives, aimed at avoiding community demands.

Corruption is more complex in the context of traditional communities, which are led by tribal authorities who have specific powers owing to their historical powers over land.

8.4. Summary of theoretical contribution

This research makes a contribution to theory in two ways. Firstly, it provides (i) communities' perceptions about elements that contribute negatively or positively to CSI outcomes. By presenting new elements that influence CSI outcomes, this research is expanding on the existing elements that were previously reported as influencing the social value of projects. This is being done by providing elements that are applicable in the context of firm-related social projects (prior literature focused on elements of social value for all projects). This research further provides a community perspective which has largely been ignored as researchers focused on managerial perspectives of community value creation. This perspective enabled this research to show that even perfectly implemented projects can be valueless in the eyes of communities.

Secondly, this research makes a contribution by providing factors that influence community appraisal/judgement of CSI outcomes. By presenting these factors, this research expands Lankoski et al.'s (2016) model regarding various reference states that influence stakeholder judgements. These new additions to the model are showing that, unlike other stakeholders, communities may have a unique set of reference states or factors. This is because, unlike other stakeholders, communities' relationship with the firm is static and they do not have alternative markets like other stakeholders such as suppliers, customers and employees. This research also extends Lankoski et al.'s (2016) model by presenting context-specific internal reference states such as econo-political injustices. This addition is important because it changes the way in which justice theories were viewed and applied to CSI before: that is, from focusing on micro-level aspects of justice (community-firm interface) to macro-level aspects of justice (national-governments-firm-community interface).

These two broad contributions enabled this research to develop an integrated model of social value appraisal from a community perspective presented in Figure 11. Details on theoretical contribution of this research were provided in Chapter 7.

8.5. Practical implications

The findings of this research have implications for CSI managers and practitioners involved in CSI strategy, implementation, and reporting. These are presented in the following paragraphs for each area of CSI practice.

Implications for CSI strategy development

This research has highlighted the role of multiple stakeholders in value sustenance. That is, value creation cannot only be the responsibility of a firm. A firm has to create value, however, CSI beneficiaries themselves need internal capabilities (readiness, co-operation and motivation/willingness to participate) in order to capture value and custodian institutions need to have capabilities to sustain the value created. This means that developers of CSI strategies should not only account for how a firm can create social value, but also how communities can capture and custodian institutions can maintain the value created. This can be achieved by ensuring that these players are capacitated. This is particularly so for developing countries where both beneficiaries and custodian institutions may lack capacities. As such, CSI strategy developers must consider social value sustenance as a capacity issue.

Lastly, this research provides guidance to firms' strategic decision makers and community programme managers regarding the elements that should be enhanced and promoted or barriers to be avoided in order to create social value, from beneficiaries' perspectives. By considering these factors, firms and their managers would be able to provide effective social initiatives, thus optimising their programme implementation. This is important because in the absence of this understanding, firms' social value creation endeavours are reduced to statistics on the billions of Rands spent without any evidence of effectively addressing social needs, which equates to fiscal dumping.

Implications for CSI implementation (planning phases): stakeholder engagement

This research highlights factors that influence the success of CSI projects and one of the factors identified is public involvement in CSI. It is a common practice for corporate South Africa to include public participation as part of their CSI processes. However, this research notes that pubic consultation in itself is not sufficient. Firms must endeavour to pay attention to finer details of public participation such as:

- *Respect:* engaging communities in a manner that makes them feel respected. As Godfrey (2005) noted, different communities have different value systems, some of which are similar, different and even conflicting. Thus, CSI managers must consider community values such as the acceptable way of demonstrating respect.
- *Accounting for individual voice*: engaging communities with an understanding that not everything that is said by the most vocal members of the community is valid and representative of the needs of all community members. This is particularly so for poorer communities where the level of education is not equitable and there are unspoken gender issues at play. This means that those who are the least educated and those

that are female may not be the most vocal. Hence, community engagement should consider multiple approaches beyond mass public participation meetings.

It is in this way that firms can have meaningful and effective engagements that enable them to understand context-specific social needs. Consequently, firms can develop CSI interventions that are targeted and not only conform to market isomorphism but are aligned to community-wide aspirations.

Secondly, this research has shown how local government can have both a positive and negative influence on CSI activity of a region. It is therefore advisable for corporate South Africa in particular to moderate the influence of government on their interventions. On the one hand, firms are encouraged to work with local government and align CSI interventions with IDPs for the sake of enabling upscaling of projects and attaining community-wide benefits. However, the involvement of local government should not be in such a manner that changes in local government and its maladministration leave CSI projects and beneficiaries in despair.

Implications for CSI reporting formats

This research contributes to the existing CSI practice by presenting a model for the reporting of CSI impacts. The generic approach to CSI reporting has in the past been based on the amount of money spent on CSI. Currently, a review of sustainability reports done as part of this research showed that practitioners are reporting on (i) amount of money spent, and (ii) CSI issues addressed (such as education, health, welfare, youth development). There is also an emerging trend where practitioners assess and report on CSI outcomes such as the number of jobs created, number of communities reached, number of learners impacted, among others. This research suggests that practitioners can also account for and report on tangible and intangible outcomes as well as primary and secondary outcomes of CSI. This may, however. be challenging when CSI reports are used as a form of Public Relation exercise. That notwithstanding, such detailed assessments of outcomes can be useful for identifying areas of improvements, albeit not being publicised.

Implication for policy

This research has shown that CSR interventions can be subjected to wasteful expenditures and corporate corruption. For example, in community A, it has been shown that some of the CSI projects that companies has spent on can remain unutilised by the community - “white elephants”. This phenomenon alongside reported corruption activities in the CSI space could mean that billions of rands are being spent without creating the intended social value. This implies and suggests the need for adequate monitoring and evaluation to be incorporated into BBBEE legislation with verifiable indicators.

8.6. Methodological implications

The researcher's field experience as well as data emanating from this research provided insight regarding two aspects to be considered when undertaking CSI research in communities. These aspects relate to issues of cultural contact and the distinction between fenceline and non-fenceline communities, as elaborated in the next paragraphs.

Firstly, this research highlights the significance of *cultural contact* in case studies when collecting politically sensitive data in contexts like South African communities. The concept of cultural contact has been identified as key in literature where it is recommended that researchers doing qualitative research must reflect on the nature of their relationship with participants (cultural reflexivity) and try to enhance that by interacting with participants prior to engagement in order to gain rapport (or gain cultural contact) (Saunders et al., 2016). Cultural contact is often emphasised as a core element in ethnography (and other participatory research like action research) where the researcher is expected to *blend in* and be part of the community they are studying (Creswell & Poth, 2017; Saunders et al., 2016). This study supports these authors by suggesting that cultural contact is also important for case studies undertaken in communities in a specific context like South Africa, as the lack of cultural contact may result in participants not being fully expressive of their opinions.

During some interviews, some participants called the researcher *"my sister"* (see interview transcripts) which means they consider the researcher as someone who is one of them. It was in the tone of the participants that the researcher also felt that participants were sharing information that they perhaps would not have shared with someone of a different culture or race, especially when they were talking about past apartheid injustices as an influencer of their perception of CSI. These insights signify the importance of cultural contact in case studies.

That notwithstanding, this research argues that while authors maintained that cultural contact can be attained by gaining rapport with participants (Creswell & Poth, 2017; Saunders et al., 2016), researchers should appreciate that there are limits to gaining rapport. That is, other types of cultural contact (i.e., racial and gender contact) may not be easily attained through existing mechanisms of gaining rapport. For example, there are Africans who may not share certain data with other racial groups, and there are African men who (to the knowledge of the researcher) would never allow themselves to be interviewed by a young woman on specific issues. In compiling this section, the researcher was also reminded of one of her friends and colleagues (a white female) who mentioned that she was not allowed to take part in a public participation meeting as a female wearing pants.

Finally, the results of this research showed that non-fenceline communities make value judgements of CSI differently from fenceline communities. That is, while both non-fenceline and fenceline communities can make evaluations/judgements of a single CSI project (project level judgement), fenceline communities will more often than not make both project level judgements and company-level judgements (see section 8.6). These findings suggest that qualitative and quantitative researchers studying CSI and collecting data from communities should distinguish and take into account community *fencelineness*. Consequently, they should craft interview questions and questionnaires that distinguish different levels of judgement by these different communities or use *fencelineness* as a control variable.

8.7. Study limitations

There were three key limitations of the study. Firstly, this study focused on two fenceline communities and one non-fenceline community. Choosing more than one type of non-fenceline community would have provided more nuances in terms of the comparative assessments or cross-case analysis between different community types.

Secondly, the study interviewed 39 participants with a sample of 10 to 15 participants per community. Although these numbers are acceptable (as justified in the methodology chapter), interviewing more participants would have provided more nuances.

Lastly, participants in this research were selected using purposive non-probability sampling. The researcher believes that a similar study could provide more nuances if stratification techniques were incorporated, that is, further sub-diving a community into different groups such as employed vs unemployed; young vs old etc. Such techniques require sufficient time for the researcher to familiarise him/herself with many members of the community before sampling. By doing this, however, the researcher would have been able to depict how perceptions differ in different segments of the community.

8.8. Recommendations for further research

This research provided insights that trigger the need for further studies and analysis. Firstly, data from this study have revealed some nuanced differences in CSI perceptions from fenceline communities versus those from non-fenceline communities. However, the fact that only one non-fenceline community was considered means that a comparison between these types of communities cannot be generalised in all contexts. Thus, future research could benefit from considering both multiple fenceline communities and multiple non-fenceline communities in order to understand the differences between these two types.

Secondly, participants in this research provided different ways in which community members understand the CSI process (social responsiveness). However, it did not provide a comparative assessment of CSI processes as understood by communities versus a CSI process as understood by the firm. That is, the extent to which the manner in which stakeholder communities understand the process is similar or different to the processes as understood by managers (or as depicted in corporate CSI reports). This is important because it can allow for the identification of gaps in community understanding of processes which can, in turn, impact their perceptions. As such, future research can look at how stakeholder views of CSI processes/social responsiveness compare. The proposed future research can also consider how the perceived process of social responsiveness influences value judgement and whether or not social responsiveness influences value creation.

Thirdly, regarding elements that influence social value judgements, this research has highlighted various reference states used by communities when judging CSI and value creation. These were limited to judgements posed on firm CSI or good actions. Future research can focus on reference states used by communities and other stakeholders when making judgements of corporate harm or irresponsibility. This will provide a full picture on judgement across responsibilities and irresponsibilities and areas where the two types of judgements converge.

Lastly, this research concludes by elevating the role of not only the national but the subnational context in social value creation; that social value creation must take into account localised contexts that influence value perceptions, value creation and value capture. Such include, among other things, micro-politics and traditional leadership. Not all contextual issues were considered in this research, for example, how perceptions differ across gender, age and income groups. Future research can consider these social variables to further distil nuances in researchers' understanding of community perceptions.

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10. Appendices

10.1. Appendix 1: Case study protocol

Section A: Overview

The purpose of this study is to understand community perceptions regarding elements that contribute to social value through exploratory research. The study used three case communities that have experienced a CSR programme(s) in their community; namely:

- Community A in Central Province
- Community B in Northern Province
- Community C in Southern Province

The cases constituted a theoretical replication as these communities differ in terms of the nature of CSI experiences from firms in their localities and the types of firms involved.

SECTION B: Data collection procedures

The challenge with case study research is that there is no definite procedure to be followed, leaving this to the discretion of the researchers (Yin, 2014). Nonetheless, using guidance from various authors, data collection procedures for this research were developed and detailed in section 4.4. for both interviews and documentary data. This section summarises the procedures (including operational procedures):

Interview data collection procedures

a) Ensure availability of resources using the checklist in Appendix 2.
b) Ensure that it is safe and secure to enter the field.
c) Ensure that the field worker (researcher) has emergency numbers, a cell phone, and is familiar with nearest police station and hospital.
d) Ensure that the interview location is comfortable for the participant.
e) Read out the consent form (Appendix 3).
f) Administer the interview protocol (Appendix 2).
g) Immediately after the interview, make photocopies of the scripts and field notes.
h) Save the scripts and field notes in a local hard drive and cloud backup folder.

Documentary data collection procedures

a) Obtain consent to use the documents (if classified as confidential or not public).
b) Take note of confidentiality aspects of the document.

c) Make photocopies of important pages in the document.

SECTION C: Data collection questions

In case research, the data collection questions are directed to the researcher and not the interviewee (Yin, 2014). The researcher assesses what sort of answers she needs for the analysis and where the data are supposed to come from (Yin, 2014). The main purpose of the questions is to keep the researcher on track and may also serve as prompts during the case study interview (Yin, 2014). The questions for this study are shown in the table below:

Issue of enquiry	**Data collection questions**	**Data source**
Facts about the programme executed in the community	What was the programme all about? Detailed description of the programme	Documentary data
	How was the programme conceptualised?	Documentary data
Community perceptions	How does the member of the community describe the programmes?	Community members
	How did the programme impact the community (areas of satisfaction and dissatisfaction; positive and negative outcomes; intermediate and consequential outcomes)?	Community members; sustainability report, media reports.
	What in the opinion of community members contributed to the positive and negative outcomes? (What do the interviewees identify as reasons for positive and negative outcomes?)	Community members
Analytical questions	How does what community members identified as antecedents of value creation compare or contrast with what other authors identified is related literatures (theory)?	Literature review during data analysis
	How does what community members identified as antecedents compare or contrast across cases?	Data analysis

SECTION D: Case study report

This final outcome of this research is this PhD thesis.

10.2. Appendix 2: Sample interview protocol

Checklist: Two days before the interview

Item	(Yes/No)
Consent form signed **OR** read out the consent form at the beginning of the interview	
Ensure that the interviewee has confirmed availability for the interview.	
Ensure that the interview place (chosen by the interviewee) will be quiet and private or at least comfortable for the participant throughout the interview.	
Ensure that the voice recorder is working and has enough storage capacity. Battery is sufficiently full and that the backup battery is working.	
Backup recorder (cell phone in place)	
Camera ready	
Memo book and pens	

Checklist: On the day before the interview

Item	(Yes/No)
Observe any media reports that present a risk for entering into a community.	
Ensure that the participant is in reasonably good health and mood to undertake an interview.	

Project: Stakeholder (Community) Perceptions Regarding Elements of Social Value Creation

Date	……..
Time of interview	……..
Place	……..
Case type	……..
Name of Interviewer	……..
Pseudonym of interviewee and title:	……..
Interview start time	……..
Interview end time	…….

a) Briefly introduce the project

- The purpose and objective of the project.
- Confirm the confidentiality of the identity of participants.
- Read out the consent form.
- Indicate to the respondent that they need not have all answers. No right or wrong answers.

b) Questions

Warm up questions

a) Tell me about yourself: who you are in the community, when did you start living in this community, what do you like (or not) about being a member of this community?

b) *What are some of the challenges faced by the community?

Questions about the process (Grand tour question)

a) Tell me about CSI activities done by company x in your community.

b) Tell me about a CSR programme/project executed by company x from which

you and your community benefitted.

c) *How did the project come about?

d) *How does company x bring about programmes/projects into the community?

Probe: [at specific points of programme description]

Questions about outcomes and impact

a) How did the programme (* or company x's CSI work) impact your life and the people around you?
   - Probe: Do you think you and members of the community are better off in (life domain: income, health, education) than you were before the programme? Please elaborate.
   - Probe: Do you think the programme improved your life and that of others? If so how? If not, why do you say so?
   - What are some of the consequential changes that occurred in the community as a result of the programme?

b) How satisfied are you with the outcomes?
   - Probe: On a scale 1-10 how satisfied are you?
   - Probe: How do you feel about the manner in which the programme addressed your [education, health or income] needs?
   - Probe: Do you think your needs have been adequately met and how?

Questions about antecedents (factors)

a) What in your opinion contributed to making the project successful or not?
   - Probe: What did you like about the experience and what do you think contributed to that?
   - Probe: What did you *not* like about the experience and what do you think contributed to that?

b) What were the challenges and what, in your opinion, contributed to those challenges?

c) If you were to change things during the execution of the programme, what would you change and why?

d) If you were to do more (or less) on any aspect of the programme execution, what

would that be and why?

Questions about CSI rationale

a) *Why do you think company x should invest in the community?

Exit questions

a) What else would you like to mention about the programmes that I have not asked?

b) Is there any documented material (internal or public) that you think will be useful for my research that you would like to share with me?

- *Thank the respondent for her time and participation.*
- *Assure the respondent that the information provided was useful.*
- *Remind the respondent that should he/she remember anything that he/she would like to share, he/she must not hesitate to contact me.*

**********END**********

10.3. Appendix 3: Consent form

Participation in the research project titled "Stakeholder (Community) Perceptions Regarding Elements of Social Value Creation"

Dear participant

The following information is provided to you for you to decide whether you wish to participate in the present study. You should be aware that you are free to decide not to participate or to withdraw at any time without affecting your relationship with me.

The purpose of the study is to understand the implementation of Corporate Social Responsibility Programmes in South Africa and the value they create for communities (or not) and what elements contribute to this value creation process. The objective of this particular case study is to understand elements that contributed to your satisfaction or dissatisfaction with the project in addressing your needs and community needs.

Do not hesitate to ask any questions about the study either before participating or during the time you are participating. I will be happy to share the findings of the research after completion and your name will not be associated with the research findings in any way.

There may be emotional discomfort associated with the interview and should that occur, please feel free to stop the interview. I would gladly assist you with counselling should you need it. The benefits of your participation will be my broadened understanding of CSR programmes in South Africa and the value creation process associated with them.

Please sign the consent form. A copy will be given to you.

I, ……., the undersigned agree to partake in the abovementioned case study undertaken by Ms Elizabeth Masekoameng.

I agree to the following:

- I have been informed accordingly by the candidate as to the purpose of the case study;
- The costs and benefits of participating in the research have been explained to me;
- I partake in the case study on a voluntary basis; and,

- I understand that my identity will be kept confidential, and the data provided will be used solely for this project.

…….. ……..

Signature Date

10.4. Appendix 4: Interview and interviewee characteristics in study cases

A: Interview and interviewee characteristics in Community A

No.	Date	Interviewee		Gender	Age	Recorded Duration	Interview type
1	08/11/2019	Sleti	Nurse	F	40s	0h: 21min	Personal
2	17/12/2019	Thandi	Owner - small business	F	40s	0h: 27min	Personal
3	18/12/2019	Nthome	Nurse	F	40s	0h: 20min	Personal
4	18/12/2019	Gpapa	General worker – clinic	M	40s	0h: 20min	Personal
5	18/12/2020	Motli *	Resident	M	30s	0h: 36min	Personal
6	18/12/2019	Dro	Beneficiary - skills development	M	30s	0h: 23mn	Personal
7	19/12/2019	Maseru	Resident	F	35	0h: 42min	Personal
8	19/12/2019	Boni	Resident	M	mid 30s	0h: 30min	Personal
9	21/04/2020	Khusani	Leader - community forum	M	50s	1h: 07min	Telephonic
10	24/04/2020	Totha	Community activist	M	50s	1h: 04min	Telephonic
11	17/06/2020	Mocha	Beneficiary - skills development	M	30s	0h: 26min	Telephonic
12	02/07/2020	Matsi	Former member of Lebone Forum	M	Late 40s	1h: 16min	Telephonic
13	11/07/2020	Tsela	Centre for disabled	M	40s	0h: 55min	Telephonic
14	02/07/2020	Adla	Advocate_ community support	M	Mid 50s	1h: 30min	Telephonic
15	15/07/2020	Zakes	Former CSI official	M	50s	1h: 17min	Telephonic
					TOTAL	**674 minutes**	

* = was with two others

B: Interview and interviewee characteristics in Community B

No.	Date	Interviewee		Gender	Age	Duration	Interview type
1	21/05/2020	Anlia	Resident	F	45	0h:52min	Telephonic
2	22/05/2020	Tumang	Phakama beneficiary	M	Mid 30s	0h: 44min	Telephonic
3	22/05/2020	Ephora	Phakama beneficiary	M	30s	0h: 40min	Telephonic

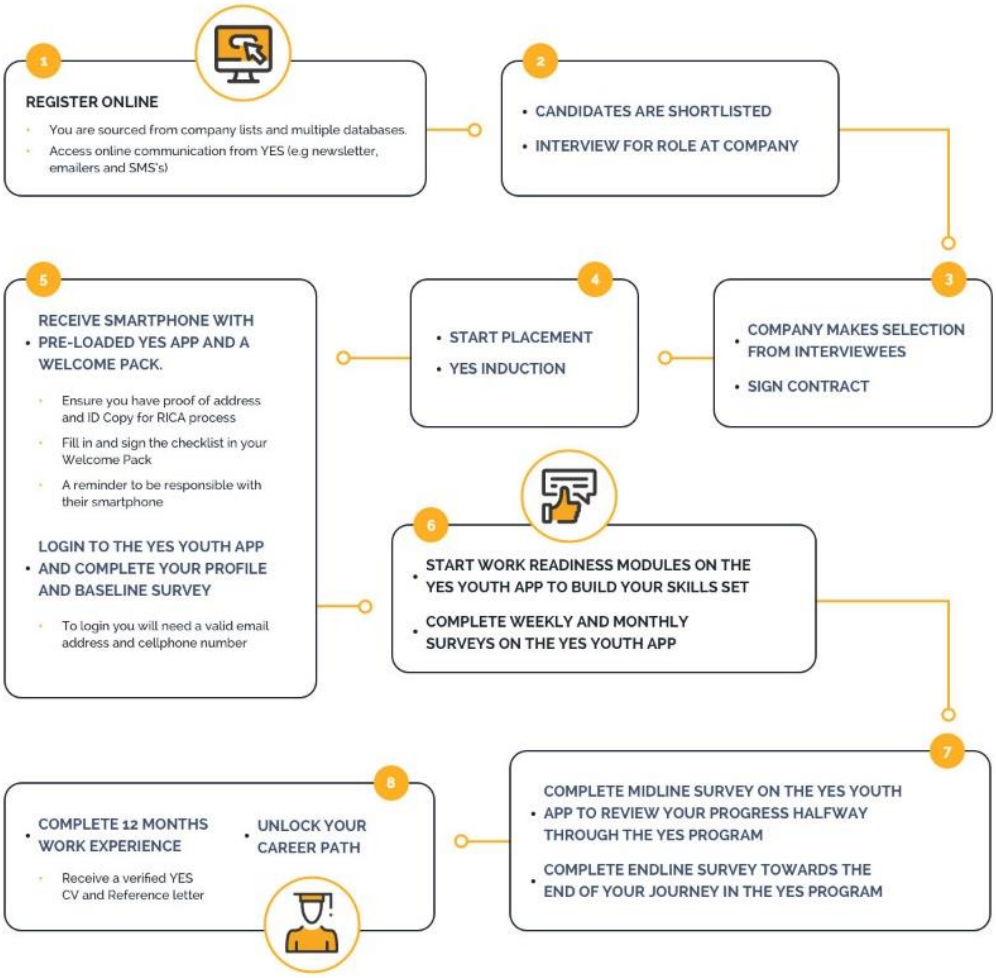
4	23/05/2020	Sashi	Activist	M	42	1h: 00min	Telephonic
5	23/05/2020	Vida	Activist & Small business - own	M	50s	0h: 40min	Telephonic
6	23/05/2020	Stekoa**	Phakama beneficiary	M	30s	Lost audio	Telephonic
7	18/06/2020	Tshesa	Phakama beneficiary	M	Mid 30s	0h: 37min	Telephonic
8	07/07/2020	Luthap	Phakama beneficiary	M	Mid 30s	0h: 33min	Telephonic
9	08/07/2020	Rose	Resident	F	Mid 40s	0h: 32min	Telephonic
10	08/07/2020	Thoka	Resident	M	24	0h: 46min	Telephonic
11	09/07/2020	Siwal	Phakama beneficiary	F	Mid 30s	0h: 53min	Telephonic
12	09/07/2020	Happy	Resident	M	40s	0h: 35min	Telephonic
13	11/07/2020	Lula	Resident	M	24	1h: 04min	Telephonic
14	23/07/2020	Manga	Resident	M	27	0h: 55min	telephonic
					TOTAL	**566 minutes**	

** lost audio

C: Interview and interviewee characteristics in Community C

No.	**Date**	**Interviewee**		**Gender**	**Age**	**Duration**	**Interview type**
1	10/04/2020	Som	YDP beneficiary	M	20s	0h: 31min	Telephonic
2	15/04/2020	Gift	YDP beneficiary	F	20s	0h: 36min	Telephonic
3	17/04/2020	Shadrak	YDP beneficiary	M	20s	0h: 22min	Telephonic
4	20/04/2020	Frikkie	YDP employee	M	40s	0h: 40min	Telephonic
5	13/05/2020	Elizma	YDP beneficiary	F	Mid 20s	0h: 25min	Telephonic
6	03/07/2020	Ancoco	YDP beneficiary	M	20s	0h: 33min	Telephonic
7	08/07/2020	Khutso	YDP beneficiary	F	22	0h: 35min	Telephonic
8	08/07/2020	Ndeke	YDP beneficiary	M	Late 20s	0h: 30min	Telephonic
9	11/07/2020	Asiye	YDP beneficiary	F	20s	0h: 33min	Telephonic
10	21/08/2020	Nonke	YDP beneficiary	F	Late 20s	0h: 31min	Telephonic
					TOTAL	**316 minutes**	

10.5. Appendix 5: YDP involvement process



10.6. Appendix 6: History of Land Contestation in Community B (by Anonymised report)

There is a long history to the dispossession of the land and wealth of the Community B people. Before colonial governments imposed alien rules of land ownership, households in Community B held strong rights to the land upon which they lived and worked. After the arrival of the Boers in the area and the subsequent establishment of a Boer republic, the Zuid Afrikaansche Republiek (ZAR), in 1852, land was surveyed and cut up into farms, generating conflict between settlers and local people. The ZAR government then demarcated locations where 'large Native tribes' could occupy land. The land was, however, owned by the government. Households originally dispersed throughout the area were then moved to these locations, increasing the concentration of people and decreasing the land available to locals. Households living within such locations experienced a severe shortage of access to land. Households living outside of such locations had to pay rent to live and to work on the land but, if they were able to do so, had access to a larger amount of land. After South Africa became a union in 1910, however, the relative freedom of movement and better land that rent tenancy afforded was curtailed by the 1913 Natives Land Act, which disallowed such rent tenancy and sought to move all black people into the already over-crowded reserves.

The dispossession and concentration of Community B people on a smaller area of land contributed to environmental degradation in the area. In 1951, chiefs and tribal authorities were given administrative power in the locations, now called 'reserves', by the Bantu Authorities Act. This Act distortedly concentrated power in chiefs, taking power away from headmen in the area. The Bantu Self-Government Act of 1959 formed the basis for the creation of Bantustans. Bantustans were areas assigned by the South African apartheid government to groupings of South Africa that it deemed to be homogenous 'tribes.' Black people were assigned as citizens to separate Bantustans depending on what tribe they were deemed by the government to belong to and were often forcibly relocated to the Bantustan that they were assigned. The apartheid government stripped them of South African citizenship and the ability to own land in South Africa. Bantustans constituted 13% of South African land, while the majority of South Africa's population was to be forced into these areas, and the land was, in general, of poor agricultural quality. These factors placed great stress on agricultural and land rights systems in the Bantustans. In pursuit of segregation, the apartheid government dispossessed people of their political and land rights.

The Community B community's land and traditional leadership was placed under the domain of the Pedi-dominated Lebowa Bantustan, despite Community B being mostly Ndebele-speaking. This further took autonomy over land and governance away from Community B

traditional leadership structures, placing greater power in apartheid-created Tribal Authorities2 from which the Community B had been historically disparate.

Upon the dissolution of the Bantustans, in 1994, in accordance with the Interim Constitution, the assets and liabilities of the Lebowa Government (including the Community B community's land) were transferred to the South African Government. However, in light of their customary law, the Community B community have the right to use the land and to benefits accruing from the land. These rights are protected by the Constitution and the Interim Protection of Informal Land Rights Act 31 of 1996 (IPILRA): they have the right not to have their customary law rights deprived without their consent.

10.7. Appendix 7: Sampling units for this study

Company	Area/ Community(ies)	Domain and project brief
Anonymised company	Anonymised communities	**Education/skills development:** • YDP Aquaponics hub aimed to deliver community benefits and create employment.
Mondi	Mkhondo village	**Health:** • Mobile Clinics servicing rural areas of Mkhondo.
Liquipetro	Anonymised communities	**Health:** • Hospital and clinic upgrades. • Provision of mobile clinics for rural areas. **Income creation:** • Enterprise and Supplier Development (ESD) activities with focus on: Business incubation, business enablement and SMME funding.
Telkom	Pretoria West	**Education:** • Supply of ICT equipment. • Learner Management System with Interactive educational content and Assessment Centre. • Change Leadership training for school leadership and ICT.
Accenture	Umkhanyakude	**Income creation:** • The community is receiving energy efficient farming equipment, financial management, skills development and other sub-interventions aimed at catalysing local community entrepreneurship.
MTN	Mbali township	**Education:** • Provision of computer labs, high quality ITC facilities. • Teacher training.
Anonymous	Community B Rustenburg Emalahleni	**Income creation:** • Entrepreneur training and links to markets. • Supplier development and support.

10.8. Appendix 8: Expert translator report

TO WHOM IT MAY CONCERN

This is to confirm that I reviewed two interview transcripts and their audios sent to me by Ms Elizabeth Masekoameng. These interviews were between the researcher (Ms Masekoameng) and two respondents, namely, Gpapa and Drotzky. Both interviews were conducted in Sesotho and transcribed into English. Below are my observation and conclusion:

1. There are no major omissions or any additions to what was said in the audio. Some few words left out did not change the meaning. Mostly it was just mumbling of words that do not add any meaning.
2. Respondent number two (Drotzky) had many thoughts and therefore, in many instances did not complete his thoughts. This is well reflected in the transcript, nothing was added to complete his thoughts, only what he said is reflected.
3. The transcripts are word-for-word translations, very literal, and might not be easily understood by a native English speaker. Below are just a few of the many word-for-word translations:

Word-for-word translation	Meaning
Eat the money	Spend (or misuse) money
Cry about finances	Complain about lack of funds

Conclusion:

The transcripts did not distort the meaning of what was said by the respondents. They reflect their opinions and experiences. I fixed some of the word-for-word translation, but I recommend that the transcripts be send to an editor to fix editorial errors.

Yours sincerely

Palesa Obokeng Ngobeni
Accredited Professional Translator

SATI number: **1003522**

10.9. Appendix 9: English editor report

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11 August 2022

TO WHOM IT MAY CONCERN

I certify that I have edited the Doctoral thesis

An exploration of community perceptions of elements of corporate social investments and value creation: a stakeholder theory perspective

by

Kolobe Elizabeth Masekoameng

However, the correction of all errors/missing information remains the responsibility of the student.

G.C. HANNANT
BA HED