



Investigating the corporate social responsibility of SMMEs in Middelburg, Mpumalanga

SS Zwane

 **orcid.org 0000-0003-2602-1435**

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Supervisor:

Mr AA Andrianatos

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Student number: 25812394

ABSTRACT

The purpose of this study was to investigate the perception of small, medium and micro-sized enterprises (SMMEs) regarding social corporate responsibility in Middelburg, Mpumalanga-South Africa. It is expected that the determination of CSR awareness and the implementation of CSR activities.

The empirical investigation was preceded by literature survey. In particular, the literature review provided a discussion on the theoretical foundations of CSR that led to the identification of ethics and stakeholder theory as two fundamental upon which CSR rests. Examination of previous studies revealed the link developed between CSR and SMMEs in South Africa.

The empirical results of the study presented that the concept CSR is commonly known by SMMEs owner-managers in Middelburg. The results indicate that 65% of the owner-managers are aware of the concept and some companies already have CSR policies that governs their organizations. Furthermore, the results indicated 75% of the respondents agree with drivers and barriers highlighted in literature and design questionnaire. This is an indication that the main drivers and barriers for the implementation of CSR activities are also applicable in SMMEs that operate in Middelburg. This is considered a good indicator in sense that Local Municipality must seize the opportunity in ensuring that SMMEs do engage and implement CSR activities. This in turn will assist alleviating poverty and increase the sustainability of these SMMEs. However, the study revealed that there's still a need to embark on serious CSR training and knowledge sharing process by NGO's and Chamber of Commerce. Big companies and Government should also encourage SMMEs to embrace in creating enabling environment for SMMEs to engage in CSR activities.

Keywords: Corporate social responsibility; small, medium and micro-sized enterprises (SMMEs); South Africa; Middelburg

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1. CHAPTER 1:

NATURE AND SCOPE OF THE STUDY

1.2 INTRODUCTION

The purpose of this chapter is to introduce the research study, present the motivation for the research study, and discuss how it will be conducted in terms of the research methodology. The objective of this study is to investigate the perceptions of small, medium and micro-sized enterprises (SMMEs) regarding social corporate responsibility.

Since the dawn of democracy, South Africa has reached many milestones, for example the dispensation of democracy and a free society. However, despite all the good progress made for the past 23 years, the country is still faced with structural problems. According to StatsSA's poverty survey report (StatsSA, 2017, p. 57), the results (2006-2015) indicate that more South Africans are slumping back into poverty as previous gains have been reversed since 2011. The survey report further states that reasons include 'anaemic' economic growth, stubbornly high unemployment and educational outcome failures. These socio-economic challenges are similar to those of other developing countries and need urgent attention. In Africa, these socio-economic problems, mainly poverty, are prevalent in rural communities (Terence, 2009, p. 11)

Small, medium and micro enterprises (SMMEs) are seen as playing an important role in the economies of many countries including South Africa (Ramasobana, 2014, p. 283). One of the ways of meeting these socio-economic challenges is to have vibrant and strong SMMEs. According to (Groepe, 2015, p. 5), South African SMMEs should thrive in order to be used as by government in addressing the high unemployment and alleviate poverty. According to the (World Bank, 2017) points out that SMMEs in South Africa have a considerable role and impact when it comes to social issues (i.e. income, working conditions and the environment). The Department of Trade and Industry (DTI) estimates that the SMME sector is responsible for approximately 91% of formal business entities, contributing approximately 57% of GDP and providing nearly 60% of employment in South Africa (Department of Trade and Industry, 2014, p. 34). Therefore, this statement indicates the importance and the critical role that the SMME sector can assist in when addressing many of the socio-economic problems that are experienced by rural communities, such

as the case of Middelburg.

The introduction of the National Small Business Act of 1996 by the South African government has the aim of supporting and promoting SMMEs (Parliament of the Republic of South Africa, 2014). This will, in turn, ensure an increase in the number of new enterprises and create an enabling environment that ensures the survival and growth of SMMEs. Similarly, it is also now becoming increasingly apparent that for long-term survival, businesses, irrespective of size, need to voluntarily develop long-term and mutually beneficial relationships with the communities in which they operate (Dzansi, 2004, p. 45). This means that businesses now need to behave voluntarily in a socially responsible manner. This behaviour is normally referred to in the literature as corporate social responsibility (CSR).

The remainder of the chapter is organised into five sections. Section 1.2 presents the concepts central to the study. Section 1.3 provides a detailed problem statement for the research study, background and motivation for this study. Section 1.4 presents the objectives of the study. Section 1.5 contains an overall discussion of the research plan, with the chapter classification presented in section 1.6. The chapter concludes with a summary in section 1.7.

1.3 CONCEPT CENTRAL TO THE STUDY

Corporate social responsibility (CSR) has gained popularity as part of the business environment and there are a number of definitions. According to the (European Commission, 2011), this concept is defined as “the responsibility of enterprises for their impacts on society”. It further defines CSR as a dedication of business to developing strategic policies that integrate responsible practice into daily business operations, monitoring their progress. The use of ‘corporate’ may present a view that the concept is mainly applicable to large businesses. Recent literature studies have been conducted on large business, and therefore this concept is usually associated with big business. Corporate social responsibility (CSR) is defined in terms of the responsiveness of business to stakeholders’ legal, ethical, social and environmental expectations, and is one outcome of these developments (UNIDO, 2012)

All these definitions are centred on the need to cooperate with and contribute positively to the communities in which a company operates. There is a need to ensure that CSR programmes create and contribute to the empowerment and long-term sustainable development of communities.

The CSR concept is mainly associated with large business; in South Africa, large businesses are located in urban areas (Dzansi, 2004). A vast majority of South African business enterprises are small; however, they constitute a very important segment of the economy and rural areas, where they are the main means of employment, and economic activity needs to respond to a number of stakeholders just like large companies do in urban areas (Department of Trade and Industry, 2014). In most rural areas, job creation envisaged through businesses involved in social responsibility can help in addressing some socio-economic challenges. Therefore, SMMEs are expected to embrace the CSR concept.

Despite SMMEs' undisputed importance, SMMEs continue to be ignored or at the best are paid very little attention, as most of the CSR literature focuses on large corporations (Ramasobana, 2014). A thorough review of the literature on CSR in South Africa revealed that no study has empirically investigated the attitude, barriers and drivers to CSR by SMMEs in a rural environment in South Africa (Turyakira & Venter, 2012, p. 345). Therefore, the lack of attention to the SMME/CSR interface has created a knowledge gap that needs to be addressed in order to increase the understanding of the concept.

1.4 PROBLEM STATEMENT

The government of South Africa has noted with concern the high rate of unemployment, skills shortage and poverty that the country currently faces. These problems are more prevalent in rural communities according to (StatsSA, 2017). The government is unable to solve the social-economic issues of the high unemployment rate and poverty reduction without help from the small, medium and micro-enterprises (SMMEs). SMMEs are seen as playing an important role in rural areas through job creation, similar to large industries in urban areas. Therefore, the survival of SMMEs is vitally important in South Africa. (Terence, 2009, p. 45) highlights the fact that the outcome of corporate social responsibility (CSR) activities can help to improve the survival rate of SMMEs, and may offer great opportunities for business competitiveness, locally and globally, as well as providing the needed employment for the local community. Therefore, SMMEs need to consider themselves part of the communities in which they operate, by developing mutual relationships with their communities (Dzansi, 2004, p. 35). SMMEs should become more socially responsible and they would make a positive impact on their communities. Research therefore is needed on SMMEs in rural settings such as Middelburg in order to gain a better understanding of

the concept of CSR within SMMEs.

Small, medium and micro-enterprises face several challenges in South Africa (Brink & Cant, 2003, p. 2). Business owners are more concerned with the survival of the business, given the frequency at which entrepreneurial activities have failed in South Africa (Albenyegah, 2013, p. 12). This has a direct effect on business owners regarding the choice of strategies and the policies they need to priorities. Therefore, business owners are prone to overlook their social responsibilities due to various reasons, and questions need to be asked about whether business leaders/owners of SMMEs understand the contribution and role of business in communities.

The reason for this study is to explore management attitudes regarding CSR and to further analyse the drivers and barriers the business owners of SMMEs in rural areas are faced with regarding CSR performance.

1.5 STUDY OBJECTIVES

The research objectives of this study are divided into the primary and secondary objectives.

1.5.1 Primary objective

The primary objective of this study is to investigate the perceptions of ‘management attitudes’ of small, medium and micro-sized enterprises (SMMEs) regarding social corporate responsibility in rural areas in South Africa.

1.5.2 Secondary objectives

In order to achieve the primary objective, the following secondary objectives were formulated:

- To gain an understanding of corporate social responsibility by means of a literature study.
- To gain insights into the perceptions and attitudes of small, medium and micro-sized enterprises regarding social corporate responsibility by means of a literature study.
- To assess the drivers behind the implementation of social corporate responsibility in SMMEs by using empirical data.

- To further understand the underlying challenges or barriers facing SMMEs in implementing social corporate responsibility.
- To use the results of the empirical research to draw conclusions and make recommendations.

1.6 RESEARCH QUESTION

The following research question was formulated for the purpose of this research:

What are the perceptions of small, medium and micro-sized enterprises' (SMMEs) business leaders regarding social corporate responsibility?

The following sub-questions were investigated:

- What are the current insights, perceptions and attitudes of SMMEs' senior leaders with respect to social corporate responsibility?
- What are the main drivers behind the implementation of corporate social responsibility?
- What are the inherent barriers to the implementation of corporate social responsibility?
- What recommendations can be made for future studies and practice?

1.7 SCOPE OF THE STUDY

1.7.1 Field of study

This study falls within the learning area of entrepreneurship with specific references to corporate social responsibility.

1.7.2 The geographical demarcation

The study will be conducted in one rural district, namely the Steve Tshwete local municipality in Mpumalanga in the town Middelburg. The Steve Tshwete local municipality is one of the six local Nkangala District Municipalities and is located in the centre of the district. It is located along the N4/N112 corridor that connects Pretoria and Johannesburg to Mbombela and Mozambique. According to (STLM, 2015) Middelburg was founded in 1864, and the municipality occupies approximately 117.40 square kilometres of land. The municipality houses three power stations (Komati, Hendrina, Arnot) south of the N4/N12 corridor.

Figure 1-1: Map showing Middelburg within Steve Tshwete Local Municipality



Source: www.google.com

According to the Middelburg Chamber of Commerce and Industry Business Bulletin (MCCI, 2013), SMMEs in the formal sector are concentrated largely in the mining and manufacturing sectors

The table below illustrates the leading sectors. The source of data used is from the Steve Tshwete Local Municipality Local Development Strategy (STLM, 2015)

Table 1-0-1: Leading sectors in STLM (2013)

Sector	Contribution to GDP	Contribution to employment
Mining	45.8%	20.7%
Manufacturing	17.5%	6.5%
Trade	7.1%	21.4%
Electricity	5.2%	2.5%
Finance	8.7%	11.3
Community services	9.4%	13.6%

1.8 RESEARCH METHODOLOGY

A discussion on research methodology is presented. The researcher chooses, and motivates, the choice of the interpretive research methodology to follow in this study. The application of the methodology and a research plan for this study are also presented. The study includes a literature review as well as an empirical study.

1.8.1 Literature study

A literature study will be undertaken with the aim of assembling and integrating material relating to CSR in SMMEs and practices that are relevant to the SMMEs. The following topics will be researched:

The literature review will focus on the topic of corporate social responsibility and will include the following sub-topics:

- The definition and theorisation of corporate social responsibility
- Situation and outlook of CSR in South Africa
- The definition and characteristics of small, medium and micro-enterprises (SMMEs)
- CSR in SMMEs
- Drivers of CSR in SMMEs
- Barriers of CSR in SMMEs

The following sources were used in the compilation of the literature study:

- Scientific journal articles: Subject-specific journals such as the *International Small Business Journal*, *South African Journal of Business Management*, Annual reports from various institutions (e.g. South African Department of Trade and Industry (DTI)), Middelburg Chamber of Commerce (CMC), companies and intellectual property commission (CIPRO),
- Textbooks
- Internet articles
- Reports and dissertations from previous research performed on the topic.

1.8.2 Empirical research

The empirical research study section focused mainly on data collection, and the other areas of research design included sample design, the design of the measuring instrument, the data collection methods and the process to follow in analysing the raw data. Below is a brief outline of the process that was used:

1.8.2.1 Research design

The research design methodology that was used in this study is classified as quantitative research. According to (Gill & Hashi, 2010, p. 15)), quantitative research is concerned primarily with data collection in numerical form. This research method deals with numbers and anything that is measureable in a systematic way. This form of research falls under the broad heading of the descriptive research design methodology. The research was cross-sectional in order to allow correlations between the variables to be assessed and the prevalence of the factors to be determined and also to make predictions from the findings.

1.8.2.2 Construction of questionnaire

The literature review provided valuable information regarding corporate social responsibility in small, medium and micro-enterprises. However, according to (Turyakira & Venter, 2012, p. 342)), research shows that no study has empirically investigated the attitude, practice and barriers to CSR by SMMEs in a rural environment in South Africa. A recent study was carried out by Dzansi was in 2004 with the intent to measure the attitude of SMMEs towards business social responsibility (Dzansi, 2004, p. 12)The questionnaire used in this study was adapted from Dzansi's research, in which he extracted these questionnaires from (Singh, Addullah, Mahandes, & Rahim, 2016, p. 23).

The questionnaire was structured as follows:

- **Section A:** Demographic information
 - Gender
 - Age group
 - Race.
 - Level of education
 - Annual turnover.
- **Section B:** The company overview
 - Business sector in which company operates

- Company size, looking at the number of employees
- Business annual turnover
- Number of years in the business
- Section C: This section of the questionnaire was constructed to ascertain the business owner's awareness and attitudes towards CSR.
- Section D: This section focused drivers.
- Section E: The last section of questionnaire focused on barriers to the proper implementation of CSR.

The questionnaire used a Likert scale of 1 to 4, where 'strongly disagree' is equal to 1 and 'strongly agree' is equal to 4.

1.8.2.3 Research population

The population was made up of business owners operating in Middelburg who are also registered with the Middelburg Chamber of Commerce. The questionnaires were mainly directed to companies' senior managers/owners of the business who are considered decision-makers in the business. According to the Middelburg Chamber of business, there are approximately 1 000 SMMEs in the formal market in Middelburg. A convenience sample of 250 SMMEs in Middelburg was selected across all economic sectors (e.g. agricultural, mining, manufacturing, etc.). These are considered active members because they could be contacted easily. Therefore, study targeted 250 SMMEs in Middelburg. The limitation with the sample

1.8.2.4 Data collection

The questionnaire was sent to the identified SMMEs' leaders via email using the contact details obtained from the Middelburg Chamber of Commerce and Industry (MCCI) database. The link to complete the questionnaire online was sent via MCCI to various SMMEs on their database. Each questionnaire was accompanied by a cover letter that guaranteed the confidentiality of their responses. The questionnaires were collected by submitting the responses online using Google Forms. Once all the responses were submitted online, the researcher, in consultation with the Statistical Consultation Services of the North-West University, used the SPSS statistical software package version 22.0 to capture, clean, edit and analyse the data obtained from the questionnaires.

1.8.2.5 Statistical analysis

The Statistical Consultation Services at the North-West University was requested to conduct the data analysis. The main focus of the statistical analysis was based on the consistency between the different variables of the questionnaire. Data from the questionnaires were coded and converted into useful outputs, such as frequency tables, factor analyses and regression analyses. The results were checked for validity and reliability.

1.9 ETHICAL CONSIDERATIONS

The ethical approval for the survey was obtained from the North-West University (NWU) in 2017. Ethical behaviour, according to (Saunders, Lewis, & Thornhill, 2009), is very important in any research to ensure that the research is methodically sound and morally defensible to all those who are involved.

The following ethical considerations were taken into account to ensure that the research study was fair and ethical:

- The researcher was fair and honest in all manners towards the participants of this study.
- The participants were informed of the nature and purpose of the research and the procedures (Annexure A).
- The researcher assured the participants of the confidentiality and anonymity of their responses.
- The research was guided by a thorough review of literature to ensure as far as possible that this research had not already been conducted elsewhere.
- The researcher avoided plagiarism and ensured that all the work is authentic.
- The research was not subjecting the participants to embarrassment, harm or any other material disadvantages.
- The research acknowledged the sources that were used in the research and the sources were cited accordingly.

1.10 LIMITATIONS OF THE STUDY

This study is not without its limitations, similar to previous studies. The limitations are often

numerous, even in the most carefully planned research study; therefore, it is important that these are listed for this study. The limitations of the study are as follows:

- The study will be limited to the Mpumalanga Province only and also Middelburg. The measurement of perceived success in one location might be totally different from the next, due to area-specific challenges. Care should therefore be exercised in the generalisation of the findings to all rural small businesses.
- The method of sampling is considered to be a limitation to the study because the study only focused on of the SMMEs in Middelburg that could be contacted easily through emails.
- Only owner-managers who were willing to participate in this study were surveyed.
- The possibility exists that the respondents might have experienced some difficulties with the interpretation of the questionnaire.
- The entrepreneurial orientation of SMMEs in Middelburg, Mpumalanga, cannot be generalised to SMMEs outside Middelburg, nor the perceived success of these businesses.

Despite the limitations identified, this study is designed to add existing empirical value to research on SMMEs towards CSR in rural areas. This study is further based on the scientific opinion that existing published evidence of a quantitative nature affects the perception and implementation of CSR.

1.11 CHAPTER LAYOUT

This study is organised into chapters and is presented as follows:

Chapter 1: Nature and scope of the study

This chapter provided an overview of the research study to be conducted. It included a short background, literature review and the statement of the problem to be researched. The primary and secondary objectives of the study were also stated. It also included the research design and provided details regarding the empirical research, including the research population. The chapter also included research tools that were developed and used and how the information was gathered and interpreted. This chapter also highlighted the limitations of the study.

Chapter 2: Comprehensive literature review

This chapter dealt with the writing of a literature review. The main purpose of this chapter was to set the study within a wider context, and then filtering it down to the level of the study. This chapter

also outlined the definition of corporate social responsibility, the definition of SMMEs within the South African context, definitions and characteristics of SMMEs, and examined CSR with particular reference to SMMEs. The chapter further discussed the drivers and the barriers in SMMEs with regard to CSR.

Chapter 3: Research methodology

This chapter contained the empirical study and discussed the method the researcher used to collect data and how this data would be analysed. It also incorporated a discussion of what statistical tools were most suited to analyse the data, and a discussion of how the validity and reliability of the results will be measured was also included.

Chapter 4: Analysis of results and discussion

This chapter presented the results of the empirical study. The results of the questionnaires were analysed, interpreted and discussed. Tables and graphs were included to present the analysed data in a systematic manner.

Chapter 5: Conclusion, limitations and recommendations

This chapter will conclude with the conclusions and recommendations based on the literature study and the results of the empirical research on small- and medium-sized enterprises. Recommendations will be made to qualifying small- and medium-sized enterprises on the best way to implement and manage **corporate social responsibility** in their businesses. This study will conclude with suggestions for future research, which will also be discussed.

1.12 SUMMARY

The problem area introduced in this chapter is to investigate the perceptions of small, medium and micro-sized enterprises (SMMEs) regarding social corporate responsibility. The overall objective of this study is therefore to gain an understating of and to assess whether SMMEs in Middelburg do conduct CSR initiatives, as well as to understand the drivers of and barriers to the implementation of CSR; it is based on analysed data that has been gathered from identified participants through survey questionnaires.

The next chapter provides a detailed literature review with an intention to gain an understanding of the concepts of and a justification for the use of interpretive methods in this study.

CHAPTER 2:

LITERATURE REVIEW: AN OVERVIEW OF CORPORATE SOCIAL RESPONSIBILITY AND SMALL, MEDIUM AND MICRO-SIZED ENTERPRISES

2.1 INTRODUCTION

The objective of this chapter is to explore the literature that is relevant to provide an insight into practices of social responsibility by small businesses globally and in South Africa. It provides, through an in-depth review of literature, a clear understanding of the area of study and identifies the gap in the knowledge. The review will seek to cover the role of small, medium, and micro-enterprises (SMMEs) in South Africa, to highlight the state of CSR, and also to discuss the drivers and barriers that are associated with the implementation of CSR initiatives.

The terms social responsibility (SR), social investment (SI), business social responsibility (BSR) and corporate social responsibility (CSR) are normally used interchangeably in literature. (Secchi, 2007) This study adopted the term social corporate responsibility. “Corporate social responsibility is viewed as a vital concept that business of all types and sizes need to understand and address (Servaes & Tamayo, 2013)

The field of CSR is particularly extensive as it involves dealing with a wide range of divergent issues, such as ethical investment practices, the impact of an organisation’s activities on the environment, society and economy, as well as the engagement of an organisation’s internal board structure and executive practices (Van Wyke, 2008:15). This indicates that it is necessary to explore the definitions of certain related concepts that are most relevant in terms of shaping and driving the CSR agenda. These particular concepts were chosen by the researcher in this study because they are independently prominent themes in business and academic literature.

CSR is an increasingly important part of the growing small business environment (Carroll, 1979). The past 20 years have seen a radical change in the relationship between business and society (UNIDO, 2012). Therefore, an organisation’s performance in relation to the society in which it operates and its impacts on the environment have become a critical part of measuring its overall performance and its ability to continue operating successfully. This is, in part, a reflection of the

growing recognition of the need to ensure healthy ecosystems, social equity and good organisational governance (ISOO 2006, n.d.)

This study identified four parts of literature associated with the subject under study, i.e. corporate social responsibility (CSR), business ethics, stakeholder theory and small, medium, and micro-enterprises (SMMEs).

2.2 DEFINING CORPORATE SOCIAL RESPONSIBILITY

The origins of CSR can be traced back to the earlier years of the 19th century in Great Britain (Asongu, 2007, p. 3). However, in the 1960s, it was the United States which experienced growing interest in CSR (Chazireni, 2017). Based on the historical development, (Moon L. , 2012) presents studies that shows the increase in the CSR scope in the 1980s which intergrated corporate objectives with CSR. In the 1990s, Peter Druker and many other scholar propogated CSR as a part of corporate strategy (Moon, 2014).Abrams (1951) indicated the concerns that were arising at the time about management’s responsibilities towards their employees, customers and the public at large. However, it is recorded that Bowen’s (1953) *Social Responsibilities of the Businessman* is noted to be the first formal writing on this topic (Carroll A. B., 1999) suggests that Bowen should be acknowledged as the father of corporate social responsibility.

According to (Carroll & Shabana, 2010), Bowen in 1953 defines CSR as: “The obligations of businessmen to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of the objectives and value of our society.” The focus was mainly on large companies characterised by a progressively widening range of activities. From Bowen’s point of view, business had the obligation to produce social goods such as higher (good) standards of living, widespread impact on economic progress and security, order and freedom, and to develop the individual person.

(Carroll A. B., 1999) cites Davis in 1973 how he defined CSR as a “firm’s consideration of, and response to issues beyond the narrow economic, technical, and legal requirements of the firm.” This means that it is the firm’s obligation to evaluate in its decision-making processes the effects of its decisions on the external social system in a manner that will accomplish social benefits along with the traditional economic gains that the firm seeks. In summary, this definition emphasises the

point that the firm is not socially responsible if it merely complies with the minimum requirements of the law, because this is what is expected from the good citizen.

There is no agreement in literature about the definition of CSR, as scholars offer definitions that vary in content, process and value. The CSR concept encompasses the economic, legal, ethical, and societal concepts of companies at a given point in time. Consequently, Benjamin (2013:124) proclaims that CSR is an evolving concept that does not have a universally accepted definition. Generally, the accepted notion is that CSR emulates the business and the relationship within society within a social philosophical framework (Porter & Kramer, 2011; Orlitzky, 2012:34). The CSR subject is still developing. Many scholars have tried to pinpoint exactly the factors that are included in an organisation's involvement with CSR.

The European Commission (2011) defines the concept of corporate social responsibility as a concept where organisations incorporate social and environmental concerns into their business operations and in their interaction with their Stakeholders on a voluntary basis (Mutti, Yakovleva, Vazquez-Brust, & Di Marco, 2012).

According to the above definition it is evident that organisations should be socially responsible and not only fulfilling legal expectations, are also going beyond compliance and are investing more into human capital, the environment and relations with stakeholders. It is the continuing commitment by business to behave fairly and responsibly and to contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. This definition encompasses a broad concept that goes beyond legislation. Its main focus is on the voluntary approach towards CSR.

(Revathy, 2012, p. 6) argues that CSR is largely concerned with a range of voluntary initiatives, beyond legal and contractual requirements, which, if undertaken effectively, should eventually benefit the workforce, their families and local communities and ultimately improve the overall welfare of the community and contribute to economic development. This definition best explains what encapsulates the true meaning of CSR and what is required in delivering it to the people. It also takes into consideration the obligations of the organisation to its shareholders and also to the stakeholders and society, as well as the voluntary aspect of CSR as a moral obligation by

organisations, and best explains CSR practices today. Therefore, to a large extent, SMMEs should engage in CSR activities because it is the correct, ethical thing to do.

In the South African context, the most renowned and acknowledged definition was made available in the King Report of 2009 which defines corporate social responsibility as a well-managed organisation that is aware of and responds to social issues, placing a high priority on ethical standards (King Report, n.d.) (Cheng, Loannou, & Serafeim, 2014) describes CSR as the obligation of businessmen to pursue those policies, and to make decisions to follow the correct lines of action, which are desirable in terms of the objectives and values to the society of the location. The concept also involves the integration of social and environmental concerns into their stakeholder's business operations and the interaction with their stakeholders on a voluntary basis. The review of literature in relation to CSR definitions shows that CSR comprises many activities and has different meanings for different people and organisations. This indicates that there is no defined specific way or method of implementing CSR, since it has a broader definition and meaning for everyone in different situations. However, the notable common elements emanating from the definitions are the obligation that the organisation has to its stakeholders, society and economic beneficiaries. Issues of economic profitability, legal concern, ethical and philanthropic activities, sustainability in all its ramifications, and ecological, social implications etc. are critically important when defining the CSR concept (Secchi, 2007)

The concept of CSR assumes that businesses do not function in a vacuum, but rather in an environment or society, and takes into account the human element of businesses (Carroll A. , 1979)Therefore, organisations are obligated to take into consideration the social wellbeing of the society they function in, besides their profit-making objectives (Adrian, 2012)This concept can best be understood in terms of the changing relationship between business and society. Many people believe it is no longer adequate for a firm to say that their main objective is to make profits for their shareholders, when they are undertaking operations that can fundamentally affect (both negatively or positively) the lives of communities.

Despite the absence of a universally accepted definition of CSR, recent research suggests that it implies the way a company governs the relationship between the firm and its stakeholders (Sweeney L. , 2007)Corporate social responsibility is still a vast and unfamiliar dimension, with no clear definition of what it is, or what it covers pertaining to many companies. However, this study adopts the view that corporate social responsibility refers to the effort that companies engage

in over and above what is required and expected by law to balance the needs of stakeholders with the need to make a profit.

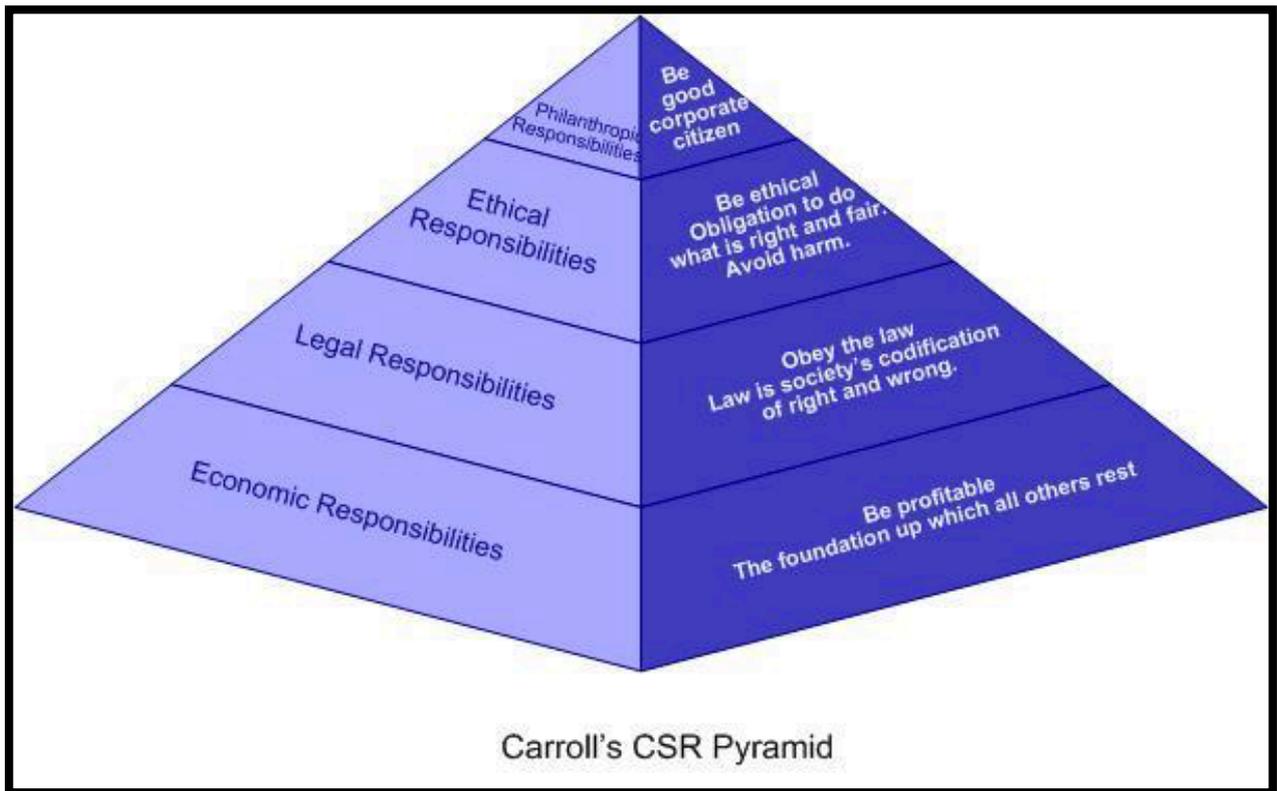
2.2.1 Corporate social responsibility theorisation

Many definitions from the literature survey describe CSR as a driver for business and society benefits. There are significant advantages to be gained for the businesses if managers/business owners engage in laudable responsible behaviour. Businesses may leverage themselves through socially and environmentally responsible practices, as there may be opportunities for operational efficiencies, economies and effective processes (Camilleri, 2012)

There is a related concept to CSR, namely corporate social performance (CSP), which is riveted in sociology. CSP is defined in terms of the observed CSR policies, processes and outcomes (Kurucz, Colbert, & Wheeler, 2008). Another interchangeable term with CSR is corporate citizenship (CC), which has its root in political science. According Frederic (2008), CC is described as content that promotes social and environmental behaviour. Another similar concept is that of socially responsible investing (SRI), which is rooted in political science, religion, ethics and economics (Frederick, 2008)

However, the literature that has developed around the notion of CSR has often been characterised by endless attempts to classify its numerous theories. For example, (Camilleri, 2012) developed the CSR pyramid model as shown in figure . In the figure below Carroll demonstrated that all these responsibilities have always existed to some extent, but it was only recently that ethnic and philanthropic dimensions have emerged as a very integral part of business

Figure 2-1: Carroll's CSR model



Source: (Carroll A. , 1979)

(Carroll & Shabana, 2010) relates the concepts such as sustainability, corporate citizenship, business ethics, stakeholder management, corporate responsibility and corporate social performance are vying to replace it. This is evident in different ways, these expressions refer to the policies, practices, investments and concrete results deployed and achieved by a business corporation in pursuit of its stakeholders.

Through research, other researchers developed various ideas regarding CSR concept. (Garriga & Mele, 2004) distinguished between four groups of CSR theories. They focused on the four different aspects of the social reality, namely:

1. the economic,
2. political,
3. social integration and
4. the ethics rationale.

The economic aspect of CSR is regarded as a mere instrument for the creation of wealth of the corporations. The second aspect describes the social authority of the corporation and its responsibilities in the political arena. The third is more focused on the firm's social integration. These theories consider the integration of the social demands of society. The fourth group of theories is known as ethical theory, focusing on the right thing in order to achieve a good society. In Table 2.1, reference is made to corporate social responsibilities and their related approaches.

Table 2-1: Corporate social responsibility theories and related approaches

Types of theory	Approaches	Short description
Instrumental theories (focusing on achieving economic objectives through social activities)	Maximisation of shareholder value Strategies for competitive advantage Cause-related marketing	Long-term value of maximisation <ul style="list-style-type: none"> • Social investment within a competitive context • Firm's view on natural resources and its dynamic capabilities Altruistic activities socially recognised as marketing tool
Political theories (focusing on the responsible use of business power in the political arena)	Corporate constitutionalism Integrative social contract Corporate citizenship	Social responsibilities of businesses arise from the social power the firms have Assumes that a social contract between business and society exists The firm is understood as being like a citizen with certain involvement in the community
Integrative theories	Management issues Public responsibility Stakeholder management Corporate social performance	Corporate response to social and political issues Law and the existing public policy process are taken as a reference for social performance Balances the interests of firms' stakeholders

		Searches for social legitimacy and processes to give appropriate responses to social issues
Ethical theories (focusing on the right thing to achieve a good society)	Stakeholder normative theory Universal rights Sustainable development The common good	Considers fiduciary duties towards stakeholders of the firm. This requires some moral theories Based on human rights, labour rights and respect for environment Aimed at achieving human development considering present and future generations Oriented towards the common good of society

Source: (Camilleri, 2012))

1.2.1 The evolution of corporate social responsibility perceptive

(Sweeney L. , 2007) estimates that the history and the origin of the CSR concept can be traced back to the 1950s. Howard Bowen, in 1953, is recorded as the first author to introduce the concept of CSR. Bowen, having addressed the issue, may have been the first to use the phrase “corporate social responsibility’. Other early theorists include Heald (1957) and Davis (1960). In 1960, William Frederick clarified the social responsibility paradigm by indicating that businesses need to do more than just conduct their economic functions. Organisational resources should be utilised for broad social ends and not simply the narrowly circumscribed interest of private persons and firms (Carroll A. B., 1999)

CSR later evolved into a more structured form of corporate obligation, following the implementation of labour laws and corporate governance (UNIDO, 2012)This is evident in the various international labour laws and company acts that are being implemented in developed countries and began to be implemented in developing countries. CSR has since leaped from the philanthropic or obligatory perspective towards a more dynamic combination of the two approaches, known as strategic CSR.(Smith, 2014) describes CSR is therefore viewed as a form of reputation building or maintenance in a globally competitive market, in that if a company is

viewed by the community or society as reducing the environmental effects or releasing toxic gases into the atmosphere, then its products are likely to be preferred and bought and its reputation would improve and increase their profits (Servaes & Tamayo, 2013) Companies are therefore encouraged to communicate how well they take care of the environment.

Table 2-2: Evolution of CSR perspectives

Years	Authors	Definitions	Analysis/comments
CSR in the 1960s	Keith Davis, Joseph W McGuire, William C Frederic and Clarence C Walton	Davis (1960) suggests that “social responsibility refers to the businessmen’s decision and action taken for reasons, at least, partially beyond the firm’s direct economic gains to the organisation as a return for its socially responsible stance.”	Literature of the 1960s is not strongly discussed in the CSR discourse; however, there was significant formalisation of the concept during this period. Most of these early writers clearly indicated that the responsibility of management is not just creating wealth for the business, but also society. The concept of volunteerism emerged during this era.
CSR in the 1970s	Harold Johnson, Carroll, Sethi	Seth (1975) states that “Social responsibility accentuates/reiterates aligning corporate behaviour up to a level where it is congruent with the prevailing social norms, values and expectations of performance.”	Major achievements were to distinguish between social obligation, social responsibility and social responsiveness. In 1971, the Committee for Economic Development (CED) published its Social Responsibilities of Business Corporations as a code of conduct model for CSR. Carroll (1979) also introduced a four-part corporate social

			performance model known as Carroll's CSR Pyramid.
CSR in the 1980s		Thomas M Jones provided one of the first significant definitions in the 1980s. He defines CSR as the "notion that corporations have an obligation to constituent groups and society other than stakeholders and beyond that prescribed by law and union contract" (Jones 1980)	During the early 1980s, CSR began to incorporate environmental principles and the concept of sustainable development emerged. Many organisations considered it necessary to introduce quality systems and then environmental management systems, in which CSR formed part of these systems.
CSR in the 21 st century	Miagman and Ralston (2002), Perrini (2006), Orlitzky (2005)	KPMG (2002) defined the CSR concept as company practices that create a healthy balance between people, planet and profit in the short, medium and long term.	In the modern CSR movement, the primary proponent of CSR became mainstream society, and the new foundation of CSR became the citizen. The change from governmental to stakeholder governance and stakeholder enforcement of corporate accountability is ushered in the modern CSR.

As CSR has developed and has become more mainstream, leadership companies have become more ambitious in their approach to each of these dimensions; the focus of accountability, the business case, and the level of engagement and influence. At each stage, the restrictions and contradictions imposed by a limited approach to CSR have led them to become more ambitious in

tackling issues in a more strategic and integrated way. Angel (2012:12) describes the development of CSR in terms of the following three generations:

1. The first generation of CSR showed that companies can be responsible in ways that do not detract from, and may contribute to commercial success. This is the most traditional and widespread form of CSR, most often manifested as corporate philanthropy. This rose to new heights in the 1990s, with huge amounts of money being donated by such individuals as Ted Turner and Bill Gates. It is not part of the main business of the company, but may add commercial value through reputation enhancement. Typically, a company may donate computers to schools, staff may volunteer to work with local community groups, or the company simply funds a 'good cause'. Other approaches are concerned less with reputation enhancement than with reputation protection.
2. A second generation is now developing where companies, and whole industries, see CSR as an integral part of long-term business strategy. This is where the companies are taking a lead in the field of CSR.
3. A third generation of CSR is needed in order to make a significant contribution to addressing poverty, exclusion and environmental degradation. This will go beyond voluntary approaches by individual companies and will involve leadership companies and organisations influencing the market in which they operate and how it is regulated to remould whole markets toward sustainability. This will need to involve both partnerships with civil society and changes in public policy, which both reward CSR and penalise poor performance. This could include changes to the corporate tax regime, mandatory social and environmental reporting and support for consumer education.

However, all of the above issues raise many contentious and unanswered questions regarding the parameters of responsibility of a company. Where should lines be drawn between corporate, public, and civil society actors in terms of their responsibility to deliver the 'public good'? Is the market able to shift in line with leading CSR companies, or are these 'leading lights' priced out of a market? In this case, a market is constrained by a shareholder model impeding any approach towards understanding the social, economic and environmental trade-offs required in decision-making to achieve sustainability, both for companies and society.

CSR in SMMEs (Garriga & Mele, 2004)) analyse the 'corporate' in the term CSR as misleading, because it fails to accommodate and appreciate socially responsible actions undertaken by smaller

organisations. However, Spence (2007) justifies implementing CSR policies that consider the capacities and capabilities of both business sectors. Therefore, it must be concluded that, at present, third generation CSR is mostly a vision. For SMMEs, what will be of most importance in terms of impact on them is the way in which strategic approaches to CSR, i.e. second generation, will be played out, whether such approaches will be used to rationalise suppliers, or whether they will assist in the further development of developing country SMMEs. Corporate social responsibility (CSR) is viewed as a vital concept that businesses of all types and sizes need to understand and address (Revathy, 2012)

2.2.2 Business ethics

The meaning of ethics according to literature originates from the Greek word *ethos*, which means custom or mode of conduct, and is used to distinguish right from wrong conduct (Dzansi, 2004)). Citing Hodgetts and Kurtko, its use in philosophical thought is traced to the greats such as Socrates, Plato and Aristotle (2004:162). They defined ethics as:

“A set of principles prescribing a behavioural code that explains what is good or bad and right or wrong, and in addition outlines moral duty obligation...”

Based on the above and several other definitions from the literature search, deciding between right versus wrong, the concept of the greatest good for the greatest number of people in decision-making, morality, and obligations seems to appear in all definitions and discussions of ethics as a concept (Mutti, Yakovleva, Vazquez-Brust, & Di Marco, 2012). This presents a notion that the best interest of a business (stakeholders) may not be the other stakeholders such as customers, employees or society at large. As discussed above, pertaining to moral versus business obligations, it is a major dilemma that business managers have to grapple with in discharging their duties. SMME owner/managers are in a particularly difficult situation, because, unlike big corporate counterparts, they are often members of, and attract their employees from, or have relatives in the communities in which their businesses operate (Siwar & Siti, 2014). Therefore, they feel obliged to behave ethically while trying to ensure profitability ((Dzansi, 2004, p. 76)

In order to help managers and business owners to resolve many of the ethical dilemmas they face, companies, especially the large ones, usually develop codes of ethics. More recently, companies have social and ethics committees (Attig, El Ghoul, & Guedhami, 2013). This is enforced by

section 72(4), when read in conjunction with regulation 43 of the Companies Act of South Africa. This can be considered as direct intervention by government to shape CSR policies. The committee has a main function to monitor the company's activities with regard to relevant legislation or codes of conduct and to ensure that the company behaves like a responsible corporate citizen (Ayios, Jeurissen, Manning, & Spence, 2014). The committee monitors the company's activities with regard to the following five areas of social responsibility. The five areas are social and economic development, good corporate citizenship, the environment, health and public safety, consumer relationship and labour employment.

By requiring the social and ethics committee to report on good and corporate citizenship with a specific focus on the promotion of equality and development of the communities in which it is operating, it requires companies to take a holistic approach in formulating CSR strategies, to consider the underlying needs of development and sustainability. However, this does not necessarily mean that SMMEs do not have a code of ethics or are obliged by law to have such a committee. For SMMEs, unethical conduct, in most cases, is matter of survival, a situation that (Ayios, Jeurissen, Manning, & Spence, 2014)), as cited by (Dzansi, 2004)state is a call for economic trade-off.

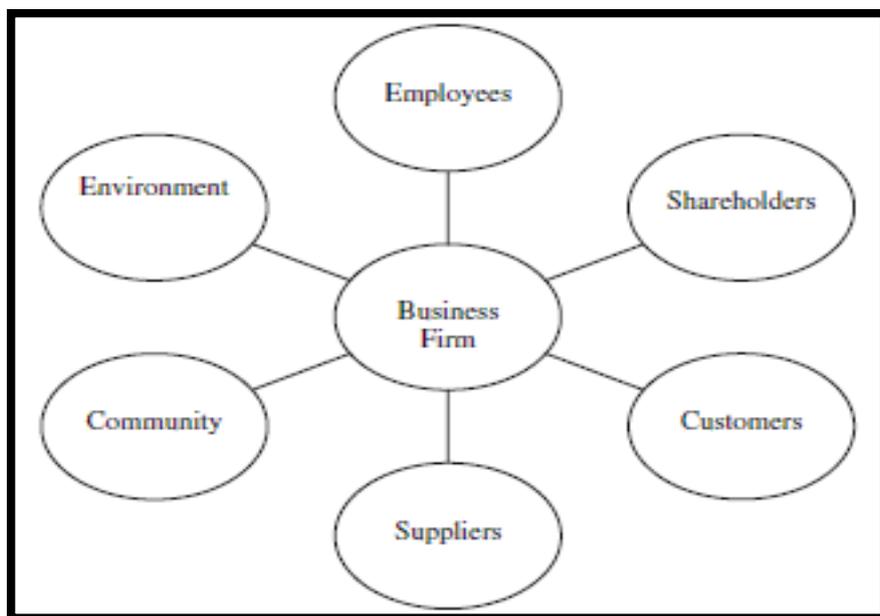
In other words, they suggest that SMMEs are vulnerable to behave in unethical ways when compared to large corporates due to limited resources. Consequently, they are more prone to unethical practices such as extortion and bribery etc. In addition to competitive pressures, limited market shares and a desire to remain in business may result in SMME owner/managers to behave unethically. It is clear that strong ethical inclinations provide a foundation for CSR. The discussion so far has indicated this and shows that a strong ethical business conduct requires concern for society (role and relationships in society (Amra & Hlatshwayo, 2013)

2.2.3 The stakeholder concept

Within a CSR context, the focus on stakeholders goes beyond the strict historical focus by corporations on stock- and shareholders. According to (Camilleri, 2012)), corporate stakeholders include, at the very least, employees, customers, suppliers, media, non-governmental organisations and the communities and markets in which they operate. Stakeholder theorists thereby object to the alleged 'special status' of shareholders on the grounds that many other groups have a legitimate claim or 'stake' in a corporation (Rizzi & Frey, 2014)).

Stakeholder theory incorporates overlooked interests and the interests of the under-represented who do not participate directly in the decision-making processes of the recognised instances of corporate governance (Gruzd, 2009)The impetus behind the use of the term ‘engagement’ in stakeholder theory and CSR literature is the need to emphasise that for firms merely to interact with stakeholders is no longer sufficient. In light of this, ‘engagement ’ is used to recommend a type of interaction that involves, at minimum, recognition and respect of common humanity and the ways in which the actions of each may affect the other (Kurucz, Colbert, & Wheeler, 2008)

Figure 2-2: The stakeholder approach to CSR



(Source: Camilla 2012:54)

It was widely agreed that the firms’ obligations should never be triggered by coercive forces of law or union contracts. It was widely agreed that socially or environmentally responsible practices ought to be taken up voluntarily by organisations. The stakeholder theory maintained that the businesses’ obligations go beyond the traditional fiduciary duties to shareholders. (Camilleri, 2012)when he deliberates this issue, states that the organisations’ obligations had been extended to other groups, including the customers, employees, suppliers and neighbouring communities. Jones (1980) argued that there were reasonable arguments both in favour and against the notion of stakeholder theory. He admitted that it was difficult to reach consensus among stakeholders of what may constitute socially responsible behaviour.

This revised perspective highlighted the benefits of inter-stakeholder relationships, which bring ‘synergistic value’. This legitimacy relied on the organisations’ moral obligations towards their stakeholders. (Ribeiro, Peris-Ortiz, & Wagner Mainardes, 2011) argued that there are different stakeholders who have different relationships with the organisation. The stakeholder theory seemed ethically superior to the previous versions of corporate social responsibility. Apparently, this theory took into consideration the stakeholders’ rights and their legitimate interests, including the shareholders’ interest. According to this stakeholder theory, management’s duties extended beyond the fiduciary duties they owed to shareholders. Undoubtedly, this theory recognised the importance of human resources to the organisation (Revathy, 2012).

2.3 CORPORATE SOCIAL RESPONSIBILITY WITHIN THE SOUTH AFRICAN CONTEXT

The reality of the current situation in South Africa is that society’s expectation of business covers a great deal more than profit maximisation (FinMark Trust, 2012). The arrival of the new democracy has done little or nothing to alleviate poverty in South Africa. Corporate social responsibility first emerged in South Africa in 1976 after the Soweto uprising, which resulted in companies endorsing codes of employment, followed by the approval of the Sullivan Code in 1976 by American companies operating in South Africa, as well as the establishment of the Urban Foundation in 1977, which motivated the growth and formal acceptance of the black trade union movement in 1979 ((Albenyegah, 2013)). There have been a number models underpinning CSR, but this study investigates the three main models that form the theoretical framework of CSR, taking into account the debates on different theories and different approaches and using the same terminologies with different meanings.

The CSR model that emerged during the apartheid era followed a moral and ethical perspective. It was more as a result of riots, and the people’s protests against bad working conditions that led companies to take up CSR as a means to address employee complaints and to alleviate suffering within the communities they operate in. According to (Abor & Quartey, 2010)), CSR in South Africa can be seen as representing development and as a result of philanthropy and ethics. This model was not seen as a forced obligation on the parts of corporations, but rather a responsibility of corporations as a part of society to contribute towards the promotion of its employees and their families. Within this model, CSR was seen more as a form of charity and not a legal obligation.

Most companies in South Africa then were partially practising CSR as and when they felt like it (Brink & Cant, 2003)). According to (Bay, n.d.)), CSR was developed without the concept being properly framed within a common agreed definition, thereby leading to actors involved in shaping the CSR framework, doing so in accordance with their own interests. Studies by (Trialogue, 2015)) have shown that most corporations in South Africa are motivated by moral obligations, laws and regulations, status and reputation, stakeholder pressures, licence-to-operate obligations and industry charters.

Furthermore, the introduction of the 2007 black economic empowerment (BEE) codes of good practice, which require companies to allocate 1% of their net profit after tax (NPAT) to socio-economic development (SED), spawned companies going beyond that which was required by law and allocating an average of 1.3% of NPAT in the 2009/2010 financial year (Trialogue, 2015, p. 58)An emphasis on corporations incorporating social considerations in their core businesses is accentuated by the Second King Report (2016), also known as King IV. King IV advocates a holistic approach to CSR that requires a company to view itself as a corporate citizen motivated by principles of development and sustainability; by taking into account all of its stakeholders.

Moreover, these misdemeanours date back to the history of apartheid in South Africa when racial segregation of the people in both the workplace and residential areas was rife, yet a well- governed company should be aware of, and respond to, social issues, placing a high priority on ethical standards (Moon L. , 2012)At the same time, a good corporate citizen is increasingly seen as one that is non-discriminatory, non-exploitative, and responsible with regard to environmental and human rights issues, and therefore a company is likely to experience indirect economic benefits such as improved productivity and corporate reputation by taking those CSR factors into consideration (King Commission Report IV, 2016)

Corporate policy serves as a means by which corporate entities regulate and monitor their business compliance with the law and ethical standards, and ensures that they are in line with national and international laws and regulations. Good corporate governance will not result from compliance with regulations alone, but rather from the integration of fairness, accountability, responsibility and transparency on a foundation of intellectual honesty (King Commission Report IV, 2016). Although most people appreciate the recent advancement of CSR in South Africa, some researchers argue that the capacity of CSR may not be enough to contribute to sustainable

development (Mutti, Yakovleva, Vazquez-Brust, & Di Marco, 2012)). This statement has also been confirmed by (Ribeiro, Peris-Ortiz, & Wagner Mainardes, 2011) – they argue that although CSR seems to address issues related to development, corporations act within legal boundaries, but there is still the issue of inadequate accountability in terms of reporting on CSR activities. The standards that are central to all corporations in their CSR programmes fail to address the pressing areas of need of the beneficiary communities in which they are implementing these activities. Rather, most CSR initiatives address areas of interest to corporations and its board members, thereby leading to the issue of sustainability of these programmes, as well as the effectiveness of the programmes in relation to the needs of the individuals, groups, community and society as a whole.

One can infer from the above enunciated issues that some multinational corporations are practising double standards, whereby they act ethically in areas that are highly regulated, such as in the USA, but at the same time, they may act in an opposite manner in less regulated parts of the world, such as in India, using cheap labour (World Bank, 2015). Therefore, some companies only comply on paper, but in reality fail to practise what they preach and propagate. This gives an overview of the legal obligations of CSR to companies and the framework in which it has been practised in South Africa, taking into consideration the labour laws, the industry charters pertaining to the various sectors of business operations in the country, and the adoption of the King IV report on corporate governance for South Africa as a legal obligation by corporations

Observed from a critical point of view, it is obligatory for corporations to perform well in non-financial areas such as human rights, business ethics, environmental policies, corporate contributions, community development, corporate governance and workplace issues (Chazireni, 2017), yet not all corporations adhere strictly to these requirements in South Africa (Dialogue, 2015, p. 32). Many organisations implement strategic CSR because it incorporates a developmental process that benefits society and promotes the company's image and products at the same time, thereby increasing profitability. Strategic CSR seeks to harmonise CSR and profitability (Linh Chi, 2011).

Companies that are perceived to be socially responsible are likely to be ahead of their competitors, in line with stakeholder expectations (Kurucz, Colbert, & Wheeler, 2008). Although CSR has both positive and negative impacts in both developed and developing countries, strategic CSR can be used as a tool to mitigate the negative impacts of CSR initiatives while promoting business (Fatoki,

2014). Therefore, it is of great significance for every corporation in developing countries to note that they should incorporate in their corporate policies strategies that are ethical and ensure that it serves the benefits of the business, environment and society as a whole (Bay, n.d.).

2.3.1 Outlook of corporate social responsibility initiatives and the development agenda in South Africa

Triologue is a consulting, publishing and research organisation that specialises in areas of sustainable business and CSI (Triologue, 2015). Since 1998, this organisation has published annual industry handbooks on sustainability and CSI. The CSI Handbook has established itself as South Africa's authoritative resource on developments in the corporate social investment arena. The handbook is highly regarded for its in-depth primary and secondary research and independent editorial content. In 2015, Triologue published the 18th edition of the CSI Handbook. The average total CSI spending rose from R51.0 million in 2014 to R57.1 million in 2015 (Triologue, 2015). There are cases where one company claimed to have spent over one billion rand on CSI. In South Africa, the BBEEE scorecard requires large companies to spend 1% of the net profit after tax (NPAT) on socio-economic development (SED). In 2015, research showed that the target was exceeded, where average expenditure of 1.7% NPAT was reported. The handbook pointed out that although companies are investing a large sum of money in social developments each year, it is not clear to what extent this is positively changing the lives of South Africans (Camilleri, 2012)

Remarkable examples of CSR initiatives in South Africa contributing in some form to sustainable development are in the education, health, social and community development sectors, contributing toward capacity building, empowering the less fortunate, creating jobs, while contributing to the social developmental needs of both the community and the vulnerable people (FinMark Trust, 2012)). Most organisations implement CSR initiatives or fund initiatives by non-governmental organisations (NGO) in line with government policies for development.

In a bid to harness government's involvement with the public sector in relation to their contributions to the development efforts, public policies are put in place to mitigate the negative impacts of CSR (King Commission Report IV, 2016). South Africa, in this regard, implemented policies and principles towards corporate social responsibility as far back as 1976, with a superb example of such discourse evident in the adoption of the Sullivan Code, which was published by Reverend LH Sullivan (Groepe, 2015). In light of the above disposition, the companies that

subscribe and affiliate to the Global Sullivan Principles are required to implement policies, procedures and internal reporting structures that help ensure commitment to these aspirations (StatsSA, 2017)

Consequently, these policies regulate and function as corporate governance for both local and international corporations in South Africa as they fulfil their corporate social responsibilities. All in all, the scope of CSR initiatives in South Africa over the past eight years has been tremendous, with new regulations playing a substantial role in this growth and having different interpretations and understandings of the concept of 'CSR' by most corporations, thereby necessitating them to partially fulfil their CSR as demanded by corporate and national laws. The geographic distribution of CSI funding in South Africa shows that corporate companies in Gauteng and the Western Cape are 70% involved with CSR support, while the provinces deemed as rural, such as Mpumalanga, only receive less 10% support. The research mainly focused on non-profit organisation (NPO) support and distribution of resources (UNIDO, 2012)) within these regions.

The 2011-2015 reports published by Trialouge (2015) highlight how CSR has attempted to address development with regard to the development agenda of South Africa. It was evident that the education sector continues to receive the greatest share of CSR support. The breakdown by (Trialouge, 2015, p. 39) of a total estimated expenditure of R5.4 billion is as follows (revised for my understanding):

- Education – with 47.4% of total estimated expenditure broken down into level of education, type of intervention and subject area and supported by 96% of corporate organisations in South Africa.
- Social and community development – with 17.1% of the funds mostly focused on infrastructure, facilities and equipment targeted towards orphans and vulnerable children and supported by 73% of corporations, although with lesser funds than in the education and health sectors.
- Health – with 12.0% of the total estimated expenditure channelled into primary healthcare, HIV/ AIDS and related healthcare initiatives and supported by 63% of corporate organisations. This was the second sector to receive a high percentage of the investment or funds in 2009/2010.

The other sectors are as follows: Food security and agriculture with 6.9%; environment with 5.8%; enterprise development with 5.6%; training with 5.2%, arts and culture with 4.6%; housing and living conditions with 3.5%; safety and security with 2.3%, and sports development with 2.2%,

respectively. The following table shows the distribution of corporate social responsibility funds in the education sector. As noted, the education sector remains the largest benefactor of CSR funds.

Table 2-3: The distribution of CSR budget in SA

Level of education %	Type of intervention %	Subject area %
Further education and training-29%	Bursaries, scholarships, university chairs: 25%	Maths and Science: 30%
General education: 28%	Curriculum development/course materials: 20%	General subjects: 15%
Tertiary education: 24%	Infrastructure, facilities and equipment: 16%	Life skills:14%
S21§	Teacher development: 15%	Information technology computers:13%
Adult education: 3%	Additional learner programmes: 14%	Language literacy:12%
	Special needs interventions: 7%	Vocation and technical training: 9%
	School governance and functionality: 3%	

Revised version of data (Triologue, 2015)

The statistics and data above show that modern-day CSR has evolved and developed in terms of its initiatives from the traditional philanthropic and obligatory dimensions into a more structured and inclusive approach in line with national policy towards development. Furthermore, CSR can enhance the long-term sustainability and growth of a company and can ensure greater retention of staff. This is because an organisation that is perceived as being socially responsible by society will have the support of the public, suppliers and consumers. It also goes without saying that, when a company is seen as being socially responsible, it is much easier to ensure employee loyalty and to retain staff, as happy staff will not only put in extra effort to meet company objectives, they will also stay loyal to the company.

With the incorporation of CSR policies in SMMEs companies in South Africa, it has become evident that CSR-incorporated policies help reduce cost by recycling CSR initiatives that can be implemented within the company. This affirms Branco and Rodrigues (2007) and Carrasco's (2007) argument that CSR benefits businesses and brings about competitive advantages to the organisations in the long run. Despite all these laudable contributions, there are still challenges that militate against the achievement.

Clearly defined, CSR implies the desired impacts of the strategy, both for the company and the host community; visible consideration of the real needs of the community when developing the strategy; identification of key social issues that impact the business's ability to operate, and a holistic programme design to address these issues; robust risk assessment from the perspective of both the company and the community; a comprehensive monitoring and evaluation programme that allows the organisation to track the progress and to determine the impact of the initiatives on an ongoing basis.

2.3.2 Challenges of corporate social responsibility faced by small, medium and micro-sized enterprises in South Africa

CSR is about the company requiring an ethos or set of values – sometimes expressed in the vision, mission and goals of the organisation and managing business practices to produce an overall positive impact on society (Possenti, 2012). Corporate social responsibility has faced various challenges over the years from its very inception. Although the intended objective of CSR may vary from organisation to organisation, country to country and region to region, its consensus is to enhance profitability through projects and programmes that build the capacities of the local people and also improve the lives of their workforce (Ramasobana, 2014)

However, it is problematic that some companies only pay lip service in their CSR commitments, in that they may contribute to an aspect of development with their CSR initiatives while they destroy or negatively affect other sectors of development by not living up to the standard required by law; instead, they outsource other people to clean up or solve the problems they are creating in society, as in the case of Nigeria and the oil companies (Possenti, 2012)

The German Ministry for Economic Cooperation and Development released a report on CSR in Sub-Saharan Africa in 2011 ((German Ministry for Economic Cooperation and Development, 2011). The report highlighted the rationale for CSR involvement in South Africa. According to this report, CSR is largely driven by the need to address socio-economic challenges by providing economic access and opportunities to previously disadvantaged South Africans. At the same time, the aim is to address government's capacity and lack of financial support that impede service delivery through the implementation of philanthropic initiatives.

The report further revealed a general vagueness in the approach and practices guiding stakeholder engagement within the companies that were surveyed. Most companies indicated that they do not consult externally on CSR decision-making. Approximately 31 companies went as far as to indicate that they did not derive much value from engagements with stakeholders. The following five key factors were highlighted as impeding CSR (German Ministry for Economic Cooperation and Development, 2011)a) Lack of a shared goal and commitment to projects from the recipient communities, as well as from other key partners;

b) Lack of capacity and experience by CSR practitioners, which includes poor standards, lack of curriculum and accreditation, as well as the lack of skill or insufficient tools for engagement with external stakeholders;

c) The CSR not sufficiently supported and driven by top management; this is the case especially with multinationals where the policy directives are not consistent with local situations;

d) Poor management of partner NGOs, as well as poorly trained, equipped or illiterate partners from within the host community;

e) Poor identification of CSR projects, including projects that were started because of the wishes or interests of a senior or powerful individual and no proper study or research being done beforehand.

Above all, since CSR has become a household name in corporate circles, there are great concerns that some companies may promote an image of CSR, whether or not they have a true strategy in place and the results to show for it ((Gruzd, 2009)The field of CSR has grown significantly with a great proliferation of approaches and terminologies, yet the lack of consensus and understanding of what CSR is, a common framework in which it can be practiced and what is required, have led to a grave injustice to developing countries as opposed to developed countries that have more experience and policies that are well structured to ensure accountability on the part of both local and international corporations ((Brink & Cant, 2003)

The lack of accountability measures in developing countries leaves a great deal to be desired, in that most organisations, both local and international, but especially multinational companies, may report on their CSR processes, design and implementation and make these reports available to the public in well-structured legal requirements in place. However, in terms of outcomes in developing countries, with less structured legal regulations in place, these same companies practice double standards with regard to the aforementioned, e.g. cheap labour in China, India etc. (Hugh, 2011)).

Organisations need to understand that the development is *about* people and *with* people; therefore, developmental programmes and projects need to be successful (Moon L. , 2012). There is a need for the people's participation and capacity building to ensure sustainability. However, in most cases, CSR initiatives do not take into account the human factor in its initial planning, and therefore there is no interactive participation of beneficiaries of these projects in the actual planning and design phases. Instead, a passive form of participation is used in which beneficiaries and other stakeholders are informed about what is going to happen, what is happening or what has happened (Adeniran, 2012). The people's inputs are not directly involved in the planning phase of the programmes and projects. However, research has addressed this issue using the stakeholder dialogue, which helps to address the question of CSR responsiveness to the generally unclear signals received from the environment (Fatoki, 2014)

Furthermore, the implementations of CSR initiatives is sometimes problematic, in that the outcomes often benefit a few elite; there is very little trickle-down effect to the ordinary people. According to (Potgieter, 2013) it is the ideal that communities are able to influence direct and eventually own developmental projects and programmes and mainly focus on a bottom-up approach to needs assessment and CSR initiative formulation and design. This process enhances the sustainability of CSR initiatives, but is time consuming as human beings are difficult to predict and therefore the projects cannot be fast tracked. As organisations are time bound and would like to meet their set objectives, they tend to cut corners in their planning with regard to participation and may therefore not meet their objectives, leading to programme or project failure and closure. (Rootman, 2103)

The above clarifies the challenge of stakeholder participation in CSR programmes, whereas in other situations this may not be the case. In many instances, the challenge of project management also becomes an issue. Many organisations have their specific roles, skills and experiences that are essential to their day-to-day activities in connection with their business operations, but very little

knowledge exists with regard to programme management and design. Furthermore, some companies pursue the CSR objectives for ulterior motives rather than for the good of the societies they function in. (Groepe, 2015) argue that many businesses in South Africa and all over the world do understand the need to be socially responsible, but some still do not fully comprehend the impact of CSR on business profitability and growth, and therefore the haphazard implementation of CSR initiatives and policies in some corporations (Siwar & Siti, 2014).

Finally, but not the least, the issue of transparency has been of grave concern to researchers. According to (Carroll & Shabana, 2010)), corporate philanthropy or CSR is spending money that belongs to other people (shareholders), and therefore there is the need to attain permission or the consent of shareholders. He further argues that when it comes to a corporation, giving back is precisely what it does, in that a company that is successful contributes to the economy and society. With this in mind, transparency refers to providing enough information so that the decision-makers can anticipate the adverse effects of potential decisions. This is the most pressing issue in developing countries with corruption and weak legal regulation governing companies (Adrian, 2012).

The above shows that CSR will only be able to achieve its full potential by taking into account the political atmosphere, the culture, the suitability of the initiative and the location of the project. It is so far evident that CSR in South Africa has contributed a great deal towards social development; nevertheless, its focus is more on areas that benefit the company's interests and still contribute to development. The CSR practices in South Africa are in line with national policy fostering development, and are mostly located in Gauteng, where most of the business centres are, thereby neglecting the other provinces that, in actual fact, need these interventions. As a result, Gauteng is saturated with most of the CSR interventions and consequently CSR initiatives are not really addressing the developmental needs of the country as a whole.

2.4 OVERVIEW OF SMALL, MEDIUM AND MICRO-SIZED ENTERPRISES

In order to explore the study of the corporate social responsibility of SMMEs, it is important to attempt to define what is meant by SMMEs and to analyse SMMEs in South Africa. According to the (Groepe, 2015), SMMEs dominate the world business stage, considering both the formal and informal economic sectors, and therefore it is important to establish the distribution of SMMEs, especially within the South African context for the purpose of this study.

There are various definitions of small-business operations, which is an indication of the diversity that exists in this sector. Definitions of SMMEs differ across regions, countries and sectors of industry. The varied criteria that have been used to classify SMMEs provide the various definitions. However, the most common criteria that have been used to describe the small business sector relate to the number of employees, gross assets, turnover and investment level. Gibson and Van der Vaart (2008:11) assert that the absence of a uniform definition of SMEs among different countries has caused challenges in the design, implementation, coordination and evaluation of SMME-related policies. In South Africa, a small business is officially defined in section 1 of the National Small Business Act of 1996 as amended by the National Small Business Amendment Acts of 2003 and 2004 (NSB Act) as:

“... a separate and distinct business entity, including co-operative enterprises and non-governmental organisations, managed by one owner or more which, including its branches or subsidiaries, if any, is predominantly carried on in any sector or sub sector of the economy mentioned in Column I of the Schedule14.” (SEDA, 2016)

The NSB Act 102 of 1996 further categorises small businesses in SA into distinct groups, namely survivalist, micro-, very small, small and medium, and consequently the use of the term SMME for small, medium and micro-enterprises. However, the terms ‘SMME’ and ‘SME’ are used interchangeably in SA, according to the National Credit Regulator (NCR, 2016) The SMME definition uses the number of employees (the most common mode of definition) per enterprise size category combined with the annual turnover categories and the gross assets, excluding fixed property, as shown in Table 2.4 below:

Table 2-4:Broad definitions of SMMEs in the National Small Business Act

Enterprise	Number of employees	Annual turnover (ZAR)	Gross assets, excluding fixed property
Medium	Fewer than 100 to 200	Between R4 million and R50 million	Between R2m and R18m
Small	Fewer than 50	Between R2m and R25m	Between R2m and R4.5m
Very small	Fewer than 10 to 20	Between R200 000 and R500 000	
Micro	Fewer than 5	Less than R150 000	Less than R100 000

Source: (SEDA, 2016, p. 25)

Micro-enterprise: These enterprises usually lack formality in terms of registration, and their turnover is less than the value added tax (VAT) registration limit (R100 000 per year). Typical examples of micro-enterprises include spaza shops, minibus taxis and household industries. They employ no more than five people.

Very small enterprise: These enterprises operate in the formal market and have limited access to technology, and their turnover is between R150 000 and R500 000. These are enterprises employing fewer than 10 employees, except for the mining, electricity, manufacturing and construction sectors, in which the figure is 20 employees.

Small enterprise: Small enterprises are generally more established than very small enterprises and they have more complex business practices. Their turnover is between R2 million and R4.5 million, and they have up to 50 employees.

Medium enterprise: These enterprises are often characterised by the decentralisation of power to an additional management layer. The maximum number of employees is 100, or 200 for the mining, electricity, manufacturing and construction sectors.

The National Credit Regulator (NCR, 2016, p. 45) emphasised that despite the categorisations having been stipulated in the National Small Business Amendment Acts 102 of 1996, these categories are not used consistently by state agencies or by private sector databases, thereby making research studies and comparisons difficult in most instances.

Another enterprise category that falls within the SMMEs and not included in Table 2.1 above includes the survivalist enterprise, and this can be defined as follows:

Survivalist enterprise: This category is considered pre-entrepreneurial, and includes hawkers, vendors, subsistence farmers and other persons who are self-employed from the poorest layers of the population (Bureau of Economic Research (BER), 2016:5). The income generated is less than

the minimum income standard or the poverty line. In practice, survivalist enterprises are often categorised as part of the micro-enterprise sector and predominantly operate in the informal sector (NCR, 2016, p. 25)

It is therefore important to ensure that there is a common understanding of the term SMMEs, as well as the classification and categorisation of business enterprises in South Africa. South Africa's thresholds are low compared to developed-country standards, i.e. many businesses that are regarded as SMEs in Europe and/or the USA would be regarded as large enterprises in South Africa (Chazireni, 2017)The NSB Act has distinguished between enterprises in the different economic sectors and further used different thresholds for the different sectors as an acknowledgement that what is considered 'small' in the different economic sectors will vary depending on the nature of the activity undertaken.

2.5 CORPORATE SOCIAL RESPONSIBILITY BY SMALL, MEDIUM AND MICRO-SIZED ENTERPRISES

CSR is clearly affecting SMMEs in developing countries through direct supply chain relationships, as well as the development of legislation, and international standardisation and certification. According to (UNIDO, 2012), CSR represents not merely a change to the commercial environment in which individual SMMEs operate, but also the need to be considered in terms of its net effect on society. Although originally used mainly to discuss the ethical merits of big corporations, the corporate social responsibility (CSR) literature has long since started to include the perspectives of small- and medium-sized enterprises (SMEs). The fact that small businesses have a heightened requirement for good, multi-skilled employees, strong personal relationships and successful local engagement mean that small firms can be a good environment for corporate social responsibility to flourish.

Another concept within CSR is known as social investment (SI). Social investment refers to situations where business organisations take some of their money to fund social activities that are aimed at benefiting the wider community in which they operate (Dubihlela, 2016)Both large and small organisations must run their operations with the community at the back of their minds. SMMEs play a socio-economic role in two ways: the wide variety and quality of personal service

and products to consumers, and the willingness to invest within the communities in which they operate (Abor & Quartey, 2010)

According to a study conducted by Abor and Quartey (2010), 91% of the formal business entities in South Africa are SMEs and contribute between 52 and 57% to the GDP, and account for approximately 61% of employment. SMEs are therefore an important contributor to the economy and are considered by economists as drivers to reduce poverty and unemployment. This indicates the importance of SMMEs within the developing economy and how they can affect the CSR agenda in general.

According to research conducted (Rune, 2011, p. 30), which examined the implementation of CSR practices in the small business market. The research examined how small businesses differ from large corporations when it comes to drivers and barriers of CSR engagement. The study finds that several of the constraints are associated with small size, such as higher cost and lower payoffs from CSR work. The study further examined the pressures from consumers and the media for the companies to adopt CSR, finding that public scrutiny and increased market competition are the main drivers behind their increased focus on CSR (Rune, 2011, p. 33).

Rune further elaborate that SMMEs differ from large companies in several ways that may affect their likelihood to invest in CSR activities. Higher costs and lower payoffs from CSR investments compared with large companies' entail that the business case for CSR is weaker for SMEs than for large companies (Spence, 2009, p. 534). This is compounded by the notion that the impact of SMMEs on their environs is proportional to their size – meaning that there are minimal negative externalities to redress, and minimal gains to society from their CSR work. On the other hand, much CSR work in SMMEs goes unreported. SMMEs are sometimes seen to be socially responsible by default: they are well integrated into their local communities, have close relations with their stakeholders and small, flexible organisations. Managers of SMMEs are also not always motivated by profit maximising concerns. However, SMMEs do not have the capacity to spend time on the bureaucracy of CSR reporting, and the CSR jargon does not capture their imagination. Much of the CSR work that they do therefore goes unnoticed, both by the businesses themselves and by their stakeholders (Kurucz, Colbert, & Wheeler, 2008, p. 35).

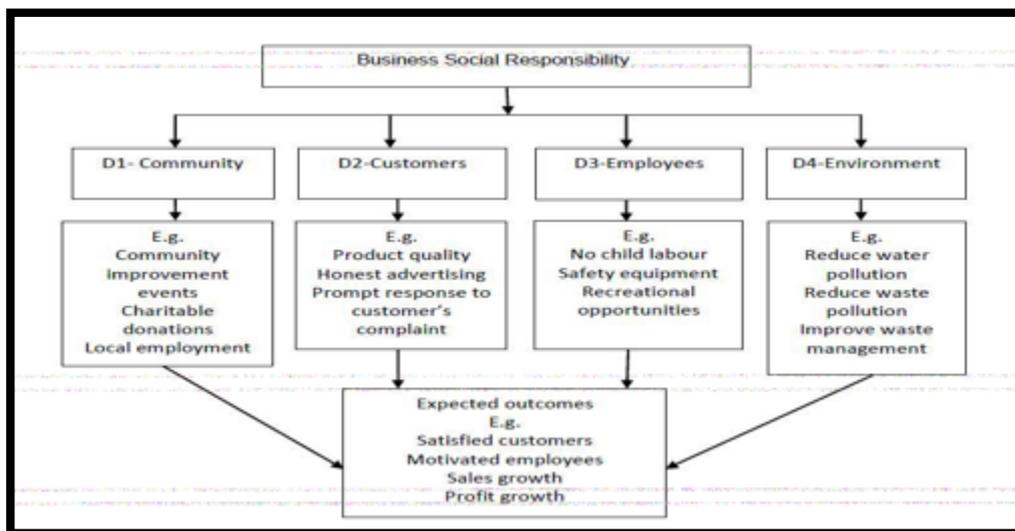
While the direction of the relationship between size and CSR activities is disputed, there seems to be an emerging consensus that SMMEs are different from large companies when it comes to CSR.

Several dimensions have been highlighted along which SMEs differ systematically from large companies and that matter for their level of CSR. However, much of this literature has been based on a one-dimensional perception of SMEs, while they are in fact a heterogeneous group of companies (Rune, 2011, p. 36)

The literature work conducted by Rune (2012) further investigated intrinsic motivations. It seeks to gather an understanding of what motivates small business owners and managers to engage in CSR initiatives. The concept of CSR is not just about making money and it cannot simply be stripped of its normative dimension. This means that individuals are not motivated purely by narrow economic self-interest, so companies may also be motivated by the desire to do good. Rune (2012: 34), cited Worthington (2006), stated that managers' morale is an important predictor of company's CSR activities. Business and society approaches to CSR see the actions of business as being structured by social institutions in their environment (Rune 2012:35). In summary, the values and norms of the host society affect the way in which the business perceives its social responsibilities. He then concludes that SMMEs engage in CSR activities because it is the correct, ethical or normal thing to do, and CSR is seen as the norm and not a strategy by SMMEs.

According to Figure 2.2 below, the local community, customers, employees and the environment constitute the most important stakeholders of an SMME. Therefore, an SMME should identify CSR activities relevant to those communities and pursue them vigorously ((Dzansi & Okyere, 2015, p. 475)

Figure 2-3: The business social responsibility framework for SMMEs



Source: (Dzansi & Okyere, 2015)

According to (Dzansi & Okyere, 2015, p. 472) they identified drivers or determinates on SMMEs' social responsibility choices and what motivates SMMEs to adopt CSR. According to them, SMMEs' social responsibility engagement depends on:

- The owner/manager's personal motivation.
- The owner/manager's decision regarding what constitutes a primary CSR need.
- The embeddedness of the business in a local community, which affects the firm's socially responsible behaviour.
- The importance of the SMMEs' informal relationships for the success of the firm.
- The central role assumed by human resources in SMMEs that generate a high commitment of business towards its employees and their families.
- The industries in which SMMEs operate, which directly affects their approach to how CSR activities are handled.

According to the European Multi-stakeholder forum for Corporate Social Responsibility (European Commission, 2016), apart from SMEs being driven to integrate CSR because of the personal beliefs and values of the owners/managers, many SMEs are driven by some combination of minimising risks and maximising opportunities. In this regard, the forum identified the following drivers of CSR for SMEs: Attracting, retaining and developing motivated and committed employees. This can be achieved through training and skills development investments. Despite these drivers to CSR implementation for SMMEs, they are also challenges in the implementation process of CSR activities.

2.6 BARRIERS OF CORPORATE SOCIAL RESPONSIBILITY BY SMALL, MEDIUM AND MICRO-SIZED ENTERPRISES

Factors that impede and challenge the implementation of CSR in an organisation are called barriers. According to (Shen, Govindan, & Shnkar, 2015, p. 349) one approach to identify such barriers is to correlate them with firm size. (Laudal, 2011, p. 251) analysed the drivers and barriers of CSR and then compared the transformation of these factors with small- and medium-scale enterprises (SMMEs) and multinational enterprises based on a literature survey. The results show that large corporations tend to have fewer barriers than SMMEs do in relation to the implementation of the CSR initiatives. The following reasons are cited in some studies:

- Lack of financial resources (cost constraints)
- Poor top management support
- CSR does not form part of the company strategy
- Poor human resource development. No department is assigned to deal with CSR activities
- Lack of employee motivation
- Lack of knowledge and monitoring capacity of market environment
- Lack of time

(Laudal, 2011, p. 231) further states that SMEs may be deterred from engaging in, or may be unable to engage in CSR due to a lack of knowledge and monitoring capacity of their environment. (Lepoutre & Heene, 2006) conclude that SMEs, to a lesser extent than MNEs, recognise CSR issues, indicating that SMEs are generally lacking expertise in this field.

2.7 SUMMARY

In conclusion, this chapter clarified that although CSR is not a new concept, CSR remains an emerging and elusive idea for academics and a contested issue for business managers and their stakeholders. The chapter covered two broad areas, i.e. CSR and SMMEs within the South African context. It reviewed various literature sources on CSR as a general concept, its importance and the contributions it has made to development. In this area, social responsibility implies that business concept that refers to operating a business in a manner that accounts for the social and environmental impact created by the business (Ramasobana, 2014, p. 34)). It can best be understood in terms of the changing relationship between business and society. CSR can be considered as a dedication of a business to developing strategic policies that integrate responsible practices into daily business operations, monitoring their progress and controlling where necessary, and then to report on progress made towards implementing these practices.

The SMMEs that exists within Middelburg operates in different industries. However, SMMEs need to address major challenges such as a lack of management skills, access to finance, access to markets, appropriate technology, low production capacity, recognition by big companies and long bureaucracy processes, among others, in order to actively participate in economic developments at home and in foreign countries (Kongolo, 2010:88).

Literature shows that most SMMEs in Middelburg do engage in CSR activities, and the drivers are mainly related to obligation that the SMMEs have from the stakeholders. The main leading industry in Middelburg is mining and most mines are reported to be involved in CSR. Most schools and community facilities are supported by these mines.

The next chapter presents the methodology that is applied to the study. This is a cross-sectional formal study to investigate small businesses' social responsibility in a typical rural or small town setting of a developing country such as South Africa.

3. CHAPTER 3

RESEARCH METHODOLOGY

3.1 INTRODUCTION

Chapter 3 presents the research methodology and describes the processes that were utilised to address the primary objectives of this study as stated in Chapter 1. It includes data collection, the procedure used to analyse the data, as well as the research results and findings. The term methodology refers to the overall approaches and perspectives to the research process as a whole (Gill & Hashi, 2010, p. 12) It is important to ensure that this research follows an organised, systematic and recognised approach in order to provide reliable results and conclusions with minimal errors.

The chapter is divided into two sections and is structured so that the first part reiterates the research problem and provides the rationale for embarking on this study. The second part of the chapter provides an overview of the data collection and analytical process followed to analyse the results. This chapter will also focus on the empirical research design, the population size and the research instrument that were used in the study.

3.2 RESEARCH PROBLEM

This study investigated corporate social responsibility (CSR) initiatives embarked upon by small businesses in Middelburg. This will lead to the development of a framework that explains the link between activities, practices and motivation for undertaking corporate social responsibility from the small businesses' perspective. Chapter 2 reviewed the literature on this study's two parent disciplines – social responsibility and small businesses. The study sought to identify latent underlying or non-obvious issues around social responsibility initiatives embarked upon or undertaken by a very distinct type of entity – SMEs – so that descriptions, explanations and processes of social responsibility can be explained. Accordingly, this will enhance the theory of social responsibility in small businesses. The following research questions were addressed:

- What are the current insights, perceptions and attitudes of SMMEs' senior leaders with respect to social corporate responsibility?
- What are the main drivers behind the implementation of corporate social responsibility?
- What are the inherent barriers to the implementation of corporate social responsibility?
- What recommendations can be made for future studies and practice?

3.3 RESEARCH DESIGN

Research design is about creating a research format or structure that the researcher ought to follow regarding data collection for the purpose of analysis (Leedy & Ormrod, 2005, p. 33). (Cooper & Schindler, 2008)) further add that the research design is a plan that enables the research problem to be understood. The present empirical research is based on experimentation or observation to collect data. It is therefore crucial to plan the research because it facilitates the smooth sailing of the various research operations, thereby making research as efficient as possible, yielding maximal information with minimal expenditure of effort, time and money.

3.1.1 Research design

The research study adopted the quantitative and descriptive research design in order to explore the corporate social responsibility of SMMEs in the town of Middelburg in Mpumalanga. Quantitative research is defined as the numerical presentation and manipulation of data to establish the relationship between two or more variables (using statistical methods to test the strength and significance of the relationships of observations for the purpose of describing and explaining the phenomena that those observations reflect (Brink & Wood, 2001)

Descriptive statistics were used to describe the characteristics of a population or a sample. Therefore, it is logical to state that descriptive analysis is the first stage in data analysis and aims at describing data by investigating the distribution of scores on each variable. In other words, descriptive analysis allows the researcher to represent data in a manner that is easily interpretable. According (Burns & Bush, 2014), a descriptive research design is rigid and it makes provision to protect against bias and maximises the reliability of data because it provides a structured research instrument to collect the data.

3.3.1 Various types of research design

Research design relates to the specific research strategy that the researcher adopts to solve the research problem (Gill & Hashi, 2010, p. 34). Based on the literature, there are two types of research designs. These are the qualitative and the quantitative designs (Bryman & Bell, 2008:34). Qualitative research strategy is to examine and interpret all forms of observations in order to find meanings and trends of relationships, and therefore, in qualitative research, the aim is to study the research settings in their normal environment with the view of making some sense from the data and to carry out the interpretation of the research phenomena for the real meanings (Abawi, 2008:5).

The quantitative research strategy entails a very sharp focus on the quantification of data to be analysed (Bryman & Bell, 2007:28). However, (Brink & Wood, 2001) argued that quantification does not only allow for precision in terms of data analysis, but also provides the research with easy tasks in data summaries and provides sufficient research inferences. The quantitative research strategy is about exact measurement; yet, within the context of business research strategy, quantitative research measures opinions, attitudes as well as consumer behaviour (Cooper & Schindler, 2008, p. 234)

3.3.2 Exploratory research

This type of research strategy is applicable when the researcher seeks new knowledge or the quest for certain specific behaviour patterns that require definite symptoms, actions or events to be presented. Exploratory research is a research strategy that attracts very rigorous research approaches and further clarifies in detail the ambiguous problems (Albenyegah, 2013, p. 234). The main objective of this study was to conduct a survey in order to obtain datasets and generate a conclusion regarding the CSR awareness in SMMEs.

3.3.3 Descriptive research

The descriptive research strategy is used for the descriptions of objects, people, groups and environments, and to discover more (Cooper & Schindler, 2008). More often, a descriptive research strategy is aimed at determining the disparities in the needs as well as the perceptions, attitudes and the characteristics of the various subgroups.

This study utilised the descriptive research strategy to determine the awareness of CSR on SMME business owners or managers. Using the quantitative research strategy, this research applied percentages and other descriptive statistics, including the mean and the standard deviation to analyse the data.

3.1.2 Research population and sample

The target population for this study was SMMEs in the formal business market in Middelburg. A convenience sample of the SMMEs in Middelburg was selected across all economic sectors (e.g. agricultural, mining, manufacturing, etc.). The study targeted approximately 250 SMMEs within the Middelburg area that have been in operation for at least one year, but no longer than 10 years. A total of 250 SMME leaders were conveniently selected to complete the questionnaires. .

3.1.3 Research instrument

There are various research instruments that can be used to collect data, and these include tests, questionnaires, interviews (face-to-face interviews), observations, etc. (Fraser & Harris, 2013) argues that the use of different types of research instruments in a single research study to collect data and to obtain that information can augment the validity and reliability of the data and its interpretation. According to (Tashkkori & Teddie, 2010) quantitative data is obtained through closed-ended questionnaires and qualitative data through open-ended questionnaires, interviews and classroom observations. In this quantitative research study, a questionnaire was used to collect data.

3.3.4 Self-administered questionnaire

A self-administered, structured questionnaire was used as a research instrument because the questionnaire method is an inexpensive and time efficient way to gather data from a potentially large number of respondents (Zohrabi, 2013, p. 255) The questionnaire used a four-point Likert scale, where 4 is 'Strongly Agree' and 1 is 'Strongly Disagree'. This was chosen to eliminate redundant responses that usually come out from neutral responses. The study envisaged definite responses only. The study utilised an electronic survey method. The survey was conducted by means of an email that was sent with the questionnaire to be completed by the respondents. Research data was collected directly into an electronic, computerised database.

3.3.5 Layout of the questionnaire

The questionnaire consisted of 26 multiple-choice questions, which were relatively straightforward. The questionnaire had a clear layout, with large legible font and had as simple a structure as possible. It has been estimated that it took between 10 and 15 minutes to complete the survey questionnaire.

The questionnaire was structured as follows:

- **Section A:** Demographic information.
 - Gender
 - Age group
 - Race.
 - Level of education
 - Annual turnover.
- **Section B:** The company overview
 - Business sector in which company operates
 - Company size, looking at the number of employees
 - Business annual turnover
 - Number of years in the business
- **Section C:** This section of the questionnaire was constructed to ascertain the business owner's awareness of and attitudes towards CSR.
- **Section D:** This section focused on drivers.
- **Section E:** The last section of questionnaire focused on barriers to the proper implementation of CSR.

In designing the research questionnaire, the researcher took utmost care to ensure that the guidelines and strict research criteria were followed in order for the questionnaire to enhance the processes of data collection.

The respondents were required to tick the most appropriate responses about themselves and their organisation. To maintain their cooperation and involvement, the questionnaire had to be interesting and easy to read. The questionnaire was designed to avoid leading questions; it raised awareness of CSR policies and prompted the respondents' consideration of their actions. The set of questions focused on the areas of interest and identified the gaps in academic literature. The

questionnaire investigated the respondents' perceptions of the organisations' responsible entrepreneurship policies and practices.

3.3.6 Pilot study

The questionnaire was sent to three small business leaders who were not part of the sample for the final study as well as two MBA colleagues in an attempt to identify any errors in the questionnaire and to ascertain whether the questions are not ambiguous and/or cannot be misinterpreted to avoid time being wasted on an inadequately designed questionnaire. The questionnaire was also sent to the Statistical Consultation Services (SCS) of the North-West University, Potchefstroom Campus (NWU) to verify whether the questionnaire is suitable for use. After completion, the questionnaire was discussed with the respondents to clarify any misinterpretations, ambiguities and uncertainties that may be experienced by the research participants. After this exercise, minor mistakes that were identified were corrected, and the questionnaire was finalised before distribution.

3.1.4 Data collection

The researcher intended to send the questionnaire to the identified SMME leaders by emails using the contact details obtained from the Middelburg Chamber of Commerce. A web link to the questionnaire will be generated, where all the respondents replied with responses in order to save time.

There was an agreed timeframe, the responses from the questionnaire were submitted online and collected using Google Forms. If there were questions with regard to the questionnaires, the respondents will be allowed to contact the researcher for clarification either telephonically or via e-mail without changing the research questions. The questionnaire was accompanied by a cover letter that guaranteed the confidentiality of their responses. The researcher contacted an estimated 250 registered SMMEs in the MCC database. Once all the completed responses were submitted, the data was then captured on the spreadsheet for statistical analysis by SCS.

3.4 DATA ANALYSIS AND REPORTING

The Statistical Consultation Services at the North-West University was consulted to conduct the analysis by using SPSS software version 22 to capture, edit and analyse the data obtained from the questionnaires. Data from questionnaires were coded and converted into useful outputs such as frequency tables, factor analyses, etc.

3.5 PSYCHOMETRIC PROPERTIES OF THE QUESTIONNAIRE

The psychometric properties of the measuring instrument can be determined by measuring the validity and reliability of the instrument to ensure that measurement error is kept to a minimum. Field (2013:12) defines validity as evidence that a test measures what it set out to measure conceptually, and reliability measures whether a person would get the similar score (results) on a questionnaire if they completed it at two different points in time. The validity was examined by addressing content and construct validity, while reliability was investigated by computing Cronbach's alpha coefficients (Zohrabi, 2013)

3.6 Types of Statistics

Descriptive and inferential statistics are the two most significant methods that are used in quantitative research strategy with questionnaires as the key data collection tool. According to (Gill & Hashi, 2010), quantitative or descriptive designs require questions that gather data that are mostly used with surveys for needs assessment research. Descriptive statistics mainly focus on the description of data summaries that are obtained from the research respondents ((Welman, Kruger, & Mitchell, 2011, p. 231)Descriptive statistics is known as univariate statistics where the research study employs only one variable; whereas in a research strategy with two or more variables, the descriptive statistics is commonly used referred to as bivariate statistics ((Salkind, 2012)

The study employed descriptive statistics. In general, the descriptive analysis is potential procedure of quantitative strategy that descbes the numerical data by irganisation, summarising and to interpret the sample of the research data (Saunders, Lewis, & Thornhill, 2009). The researcher made use of the mean, standard deviation and frequency distribution. The data will be analysed mainly by using frequency distribution.

- **Frequency distribution**

Frequency distribution can be utilised by researchers in order to summarise raw data. This method can quickly inform the researchers about the distribution shape in order to determine other alternatives in data analysis (Albenyegah, 2013, p. 284).

Researchers benefit by staying closer to the research data; there is the privilege of getting a “hands-on feel” of raw data especially due to the availability of software programs.

(Welman, Kruger, & Mitchell, 2011, p. 232) stated that the frequency distribution enables the researchers to determine the level of responses from respondents; to check whether the individual responses are skewed toward one end of the scale. Frequency distribution refers to an orderly array of all the available values for a variable. (Cooper & Schindler, 2008, p. 704) further suggests that when the frequency distribution is expressed as a percentage of the total sample, the category frequencies are known as percentage counts or percentage frequencies. Because percentages can easily be understood, it is significant and more useful to express the counts as a percentage of the total sample.

3.7 Validity

According to (Zohrabi, 2013, p. 543), validity is the central measure of quality of the measuring instruments in research, and it determines the degree to which a questionnaire was able to measure what it was intended to measure. To determine whether a test in fact measures what it purports to measure, various methods or approaches have been developed and employed and these include content validity and construct validity and the two concepts are defined below as follows:

3.7.1 Content validity

For the purpose of this study, content validity was determined by considering the degree to which the items in the questionnaire really measured the factors or concepts under contemplation.

According (Gill & Hashi, 2010, p. 34), content validity is a subjective but systematic evaluation of how well the content of a scale represents the measurement task at hand. Content validity should focus on the extent to which the elements within a measurement are relevant to and representative

of the construct (Saunders, Lewis, & Thornhill, 2009). All the test items that seemed to measure the construct would appear as the heading of each factor. Furthermore, the total set of behaviours in this section was appropriate for measuring the characteristic behaviour of the specific respondents in this study, which is another requirement for content validity. Consequently, the instrument was deemed to be content valid.

3.7.2 Construct validity

The construct validity of the questionnaire was assessed to evaluate whether the questionnaire in fact measured what it was supposed to measure. Construct validity is defined as the ability of the instrument to measure an abstract concept and it is viewed as a unifying form of validity for psychological measurements (Tashkkori & Teddie, 2010). The evaluation of construct validity requires examining the relationship of the measure being evaluated with variables known to be related or theoretically related to the construct measured by the instrument (Colliver, Conlee, & Verhulst, 2012). According (Iacobucci & Churchill, 2010), the following three different types of construct validity are often assessed:

- Convergent validity (the measure correlates positively with other measures);
- Discriminant validity (the measure does not correlate with other constructs from which it is supposed to differ); and
- Nomological validity (the degree to which the measure correlates in theoretically predicted ways with measures of different but related constructs).

This study focused on discriminant validity to use questionnaires that discriminated sufficiently between the different constructs measured in this study. The assessment of the questionnaire's discriminant validity was done by using exploratory factor analysis (EFA)

The proportion of the total variance explained for all the factors identified in the EFA will be discussed in Chapter 4.

3.8 Reliability

According to (Brink & Wood, 2001, p. 184), reliability is the consistency, stability and repeatability of an instrument that is used in collecting data. Reliability of the scale is required to ensure that the questionnaire reflects the construct it is measuring (Maiyaki, 2011, p. 193) Cronbach's alpha determines the internal consistency or average correlation of items in a survey

instrument to gauge its reliability (Field, 2009). Internal reliability was assessed using Cronbach's alpha technique. According to (Field, 2009), a Cronbach's alpha coefficient of 0.7 is an acceptable minimum coefficient; however, lower reliability coefficients of 0.5 may be sufficient when ratio scales are used (such as the Likert scale) (Moolla & Bisschoff, 2012, p. 109).

Only two factors, namely the company has CSR policy (0.895) and the future plans to engage in CSR by the SMME business leader (0.897), had a Cronbach alpha coefficient above 0.7, indicating high reliability of these sections of the questionnaire. The other factors had reliability between 0.7 and 0.6, and were included in this study because the range was not far from 0.7, and they were above 0.58 and therefore the questionnaire is reliable for analytical scrutiny (Moolla & Bisschoff, 2012, p. 106).

3.9 CONFIDENTIALITY

The consent letter was presented to SMME business leaders assuring them that the study was approved by the School of Business and Governance at the North-West University (Potchefstroom Campus). Further assurance of confidentiality was given by indicating that the participants will remain anonymous and the individual responses will be fully confidential and not shared with any other party.

The consent letters also indicated that participation was voluntarily and that the participants may refuse to take part in or withdraw from the study at any time without any risk to their businesses and without affecting the relationship with the investigators or the North-West University. The participants were also given the right not to answer any single question on the questionnaire if they wished not to do so.

3.10 ADMINISTRATION OF THE RESEARCH INSTRUMENT

There are different ways of administering questionnaires that each has its own advantages and disadvantages. For instance, whenever the respondents are not within the reach of the evaluator, they might be sent by post. However, the return rate of this procedure is rather low (Johnson, 2016). They can also be sent over the internet. In this procedure, the return rate is slightly higher than by post, because it is easier for the respondents to return them.

Moreover, they might be administered by means of telephone. In this procedure, the respondent is rather obliged to answer the questions. Finally, they can be administered face-to-face, where the

respondents are relatively compelled to answer the questions, so that the return rate is high and any ambiguous questions can be clarified on the spot by the researcher

Data was collected through a questionnaire survey forwarded by emails.

3.11 SUMMARY

In this chapter, a thorough study and discussions on all the relevant aspects concerning an empirical research were conducted. This was done to ensure that the research follows an organised, systematic and recognised approach in order to provide reliable results and conclusions with minimal errors, especially when dealing with large volumes of data.

A questionnaire was used as a research instrument because a questionnaire method is an inexpensive and time efficient way to gather data from a potentially large number of respondents (Zohrabi, 2013, p. 255). The questionnaire's validity and reliability were tested to ensure that the instrument was measuring what it was intending to measure (Zohrabi, 2013, p. 255). The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and the Bartlett test of sphericity were conducted to ensure the appropriateness of factor analysis.

Permission was requested from the Middelburg Chamber of Commerce to obtain the contact details of the SMME leaders/decision-makers in order to distribute the questionnaires. This was in line with the requirements of the NWU Ethics Committee. The findings regarding the statistical analysis are described in details in Chapter 4 on the following following page.

CHAPTER 4

RESULTS AND DISCUSSION OF EMPIRICAL STUDY

4.1 INTRODUCTION

This chapter presents the empirical results for the study. The findings of the literature survey enabled the development of a measuring instrument to investigate the research questions. The findings of the investigation of the research questions are reported below. The empirical study that was conducted aims to determine the perception that business leaders/owners have regarding CSR and determined what are the drivers and barriers are small businesses in the area of Middelburg. This was a quantitative study and the owner-managers of the participative small businesses were requested to complete a self-administered questionnaire (refer to Appendix A).

Discussion on the research findings focused on the demographic profile of owner-managers of small businesses in terms of their age, gender, race, and highest academic qualifications. The business structure of the small businesses that participated in this study, were also investigated. That was followed by assessing awareness regarding CSR, and determine the drivers as well barriers that owner-managers of participating small businesses are faced with in the implementation of CSR.

To determine the validity and reliability of the measuring instrument, exploratory factor analyses were performed and Cronbach alpha coefficients were calculated respectively. The findings of the empirical study will therefore be discussed in the following sections:

4.2 RESPONSES RATE TO THE SURVEY

When studies are based on individual responses it most likely that some individuals who are were used for the study and requested to provide information may not be willing to comply as expected. A total of 250 owner-managers of SMMEs were selected to take part in this study. A total of 211 responded in the allotted time frame. A response rate of 88% was realised in this study. According (Tashkkori & Teddie, 2010) rule of thumb, it is comforting to have at least 211 respondents for a factor analysis. The response is good this due to the fact that the MCCI facilitated the distribution of the questionnaire. Follow up was also carried out by the MCCI. The sampling method used has

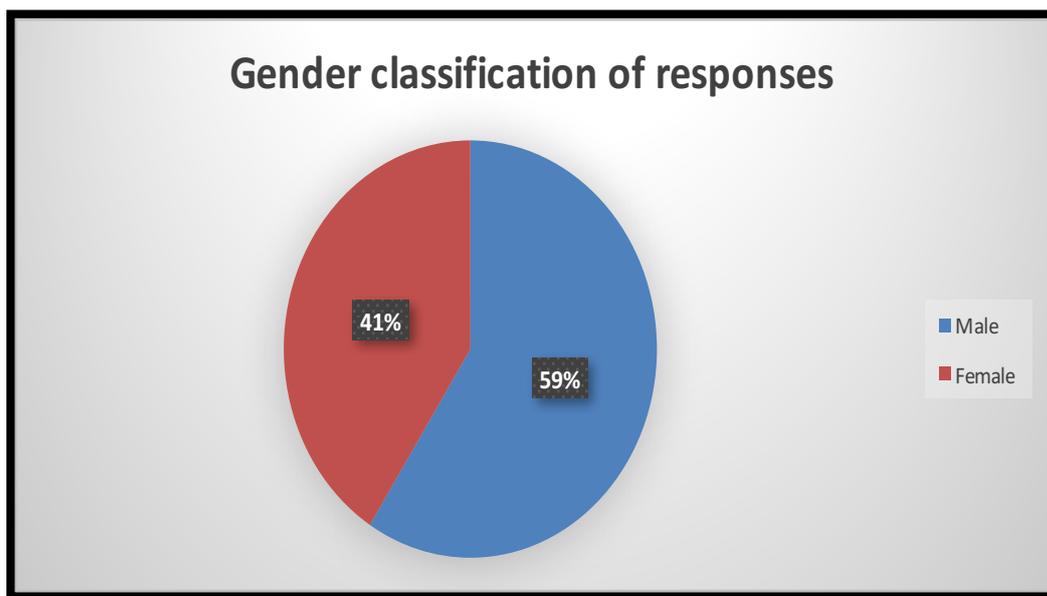
some limitation, because it only considered convenient members that are actively involved with the Chamber.

4.3 BIOGRAPHIC INFORMATION OF THE RESPONDENTS

4.1.1 Gender profile of the respondents

The purpose of section A in the questionnaire (refer to Appendix A) was to determine the ratio between male and female as business owners/ managers. Results are presented in figure 4.1 below

Figure 4-1:Shows gender classification of responses



An analysis of the gender profile of the respondents (see Figure 4.1) indicates a clear dominance of male respondents. The majority of respondents were male (59%) and the females constitute 41% of the respondents in the survey. This indicates that the men are more likely to participate as business owners in SMMEs than women.

4.1.2 Age group classification of respondents

The purpose of the section A questionnaire (refer to Appendix A) was to determine the age group distributions of the owners/managers of the respondents. Table 4.1 illustrates the age categories of the owner-managers of small businesses that participated in this study:

Table 4-1:Age group classification of respondents

Age Category	Frequency	Percent	Cumulative Percent
≤ 24 years	17	8,0	8,0
25 to ≤ 34 years	50	23,6	31,6
35 to ≤ 44 years	42	19,8	51,4
45 to ≤ 54 years	46	21,7	73,1
55 to ≤ 64 years	45	21,2	94,3
≥ 65 years	12	5,7	100,0
Total	212	100,0	

Most of the participating owner-managers were between 25 to 34 years old (23.6%). This is followed by the second highest group (21.7%) in the age group of 45 to 54 years old and the third highest group of 21.2% between the ages of 55 to 64 years old. From the table therefore, these three groups account for 66.65% of the total respondents who participated in the study. The age groups between 35 to 44 years and less 24 years and older represent only 19.8% and 8% of the owner-managers of the participating small businesses respectively. During the study, all participants of the owner-managers of small businesses did indicate their age group category.

4.1.3 Racial profile of respondents

The purpose of this question in the questionnaire was to determine the participation of different racial groups in small businesses in Middelburg.

Figure 4-2:Racial profile of the respondents

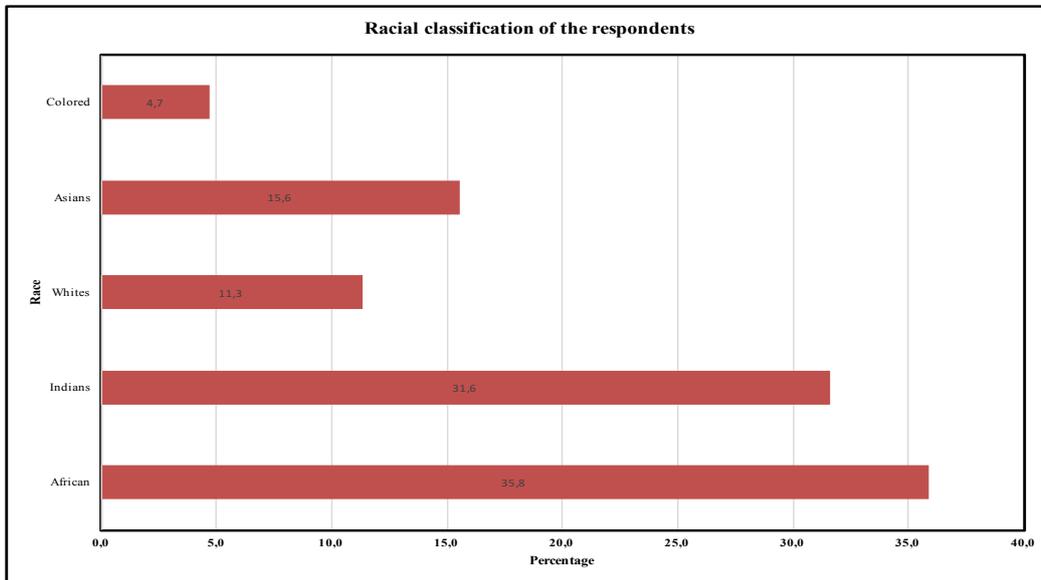
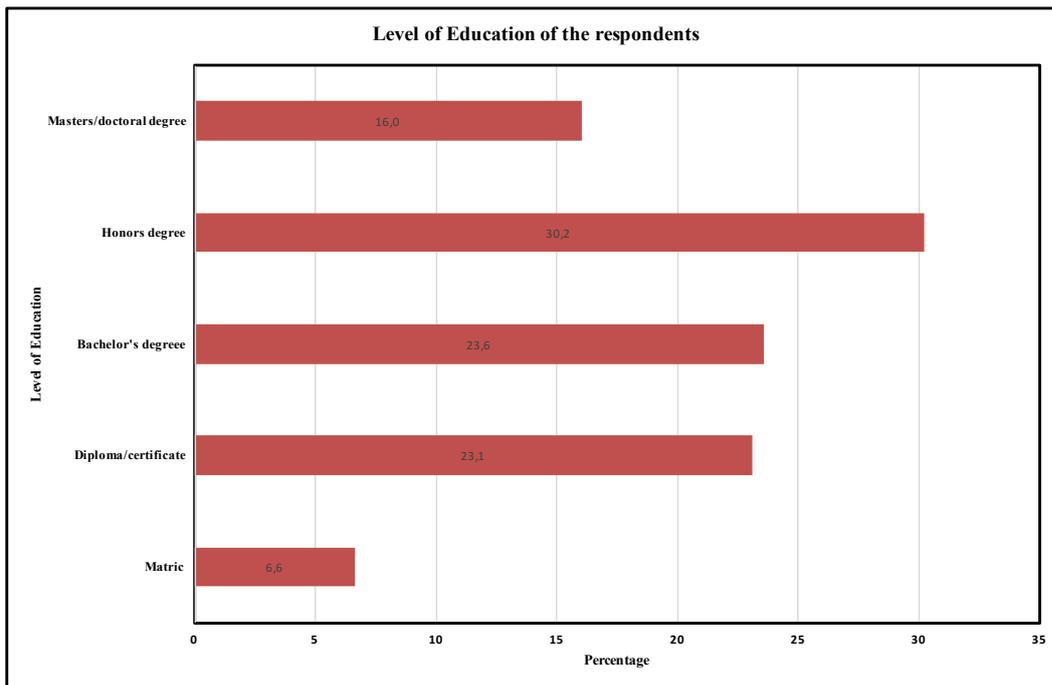


Figure 4.2 shows that Africans are the majority of the respondents that amount to 35.8% followed by Indians with 31.6% and the smaller group are coloured with 4.7%. While Asians and white are reported to 15.6% and 11.3% respectively. During the study, only two (2) participants of the owner-managers of small businesses did not indicate their race group category. Data shows that most SMMEs owners are Africans as expected in Middelburg.

4.1.4 Education level of the respondents

The purpose of this question in the questionnaire was to attempt to determine the education level of small businesses owners in Middelburg.

Figure 4-3: Education level of the respondents



The results in Figure 4.3 show that the majority of the respondents have honours degree (30.2%), and secondly have bachelor's degree and diplomas (23%). This was followed by respondents who had masters/doctorate 16%. Few respondents have matric certificates at 6% of the respondents. The second part of Section A focused on the business (the company) where the participants had to specify the business sector, company size by staff numbers and the business' annual turnover range.

4.1.5 Business sector of the respondent

The purpose of this section was to classify the small business into different industries. Drawings from the literature study, the owner-manager of small businesses were asked to choose from 8 options to determine the industry in which their respected businesses operate in. Table 4.2 shows the industry in which the participating businesses operate:

Table 4-2:Business Sector of the respondents

Business Sector	Frequency	Percent (%)	Cumulative Percent (%)
Manufacturing	40	18.9	19.0
Agriculture	25	11.8	30.8
Media	30	14.2	45.0
Electricity	24	11.3	56.4
Mining	21	9.9	66.4
Service Sector	49	23.1	89.6
Trade and Accommodation	21	9.9	99.5
Other	1	0.5	100.0
Total	211	99.5	

It was evident that the majority 49 (23%) of small businesses operate within the service sector followed by the manufacturing sector with 40 (18.9%) businesses. The media industry account for 30 (14.2%) businesses.

4.1.6 Company size by staff

The rationale of questionnaire, (refer to Appendix A) was to determine the size of the participating businesses in terms of the number of employees employed. According to the Amended National Small Business Act 102 of 2004, the number of permanent employees serves as one of the critical factors in knowing whether a business is small, medium or large. Thus, business growth and sustainability can be determined on employee size apart from other contributory factors. Drawing from literature, the owner-managers of small businesses were presented with seven categories to choose from (refer to Table 4.3).

Table 4-3: Company size by the number of employees

Company Size by Staff Members	Frequency	Percent (%)	Cumulative Percent (%)
Less than 2	3	1.4	1.4
3 to 25	49	23.1	24.6
26 to 50	48	22.6	47.4
51 to 100	37	17.5	64.9
101 to 150	20	9.4	74.4
151 to 200	22	10.4	84.8
More than 200	32	15.1	100.0
Total	211	99.5	

The results as shown in Table 4.3 demonstrate that the majority of the respondent's employ 3 to 25 people 49 (23.1%), followed by 26 to 50 employees 48 (22.6%). Only few small business owners employ between 101 and 150 personnel 20 (9.4%). However, there are more companies that employed more than 200 personnel 32(15.1%).

4.1.7 Business annual turnover

The purpose of this question in the questionnaire was to establish the performance of the business owned by the respondents by company turnover. Business annual turnover in general is one of the critical business characteristics as stated in the National Small Business Act No 102 of 1996 as amended. Increase in annual business is a vital form of business growth measurement, as such it is seen as business ability to implement CSR initiatives.

Table 4-4: Business annual turnover of the respondents

Business Annual Turnover	Frequency	Percent	Cumulative Percent
Less than R250 000	9	4.2	4.2
R250 000 to R500 000	44	20.8	25.0
R500 000 to R750 000	44	20.8	45.8
R750 000 to R1 million	51	24.1	69.8
R1 million to R5 million	31	14.6	84.4

More than R5 million	33	15.6	100.0
Total	212	100.0	

The results in Table 4.4 display that 45,8% of the respondents have a total annual turnover below R1 000 000. Few respondents reported turnover above R5 000 000 (15.6%). However, 24.1% of the respondents reported business annual turnover between R750 000-R1 million rand. A small portion of 4.2% of the respondents reported an annual turnover of less than R250 000.

4.1.8 Age of the small business

The age of the business have long-term implications for every business. The purpose of the questionnaire (refer to Appendix A) was to determine the age of the business as an indication of long-term survival and the business sustainability which is likely to increase job creation. Given the nature of small business literature, the owner-managers were provided with various small business age categories to choose from to determine how long the business survived and it can be consisted in the implementation of its policies.

Table 4-5: Age of the respondents

Small business age	Frequency	Percent	Cumulative Percent
Less 1 year	4	1.9	1.9
1 year to 2 years	28	13.2	15.1
2 years to 5 years	45	21.2	36.3
5 years to 10 years	40	18.9	55.2
10 years to 15 years	32	15.1	70.3
15 years to 20 years	25	11.8	82.1
More than 20 years	38	17.9	100.0
Total	212	100.0	

From a total of 212 respondents, 60% of the businesses operate for more than five years. A total of 36% of the businesses operate between 1 and 5 years. Only a small portion of the respondents which is 1.9%, have been in business for less than a year.

4.4 DESCRIPTIVE STATISTICS OF MEASURING THE VARIABLES

In this section data was collected from 211 respondents with a variety of with aim to determine whether business owners are aware of CSR concept and also establish their perception. Responses by the owner-managers were measured by a 4-point Likert-type interval scale questionnaire to measure the degree of responses ranging from 1 = “strongly disagree” 2 = Disagree, 3= Agree and 4= “strongly agree”. Lower numbers assigned to each statement on the scale is a representation of disagreement with the statements. In contrast, higher numbers on the scale stand for agreement with the various statements. In this section the results of the responses of the owner-managers are indicated by means of the percentage frequency of each of the items that were measured (refer to figure 4.6 to 4.8).

4.1.9 Awareness in relation CSR by business

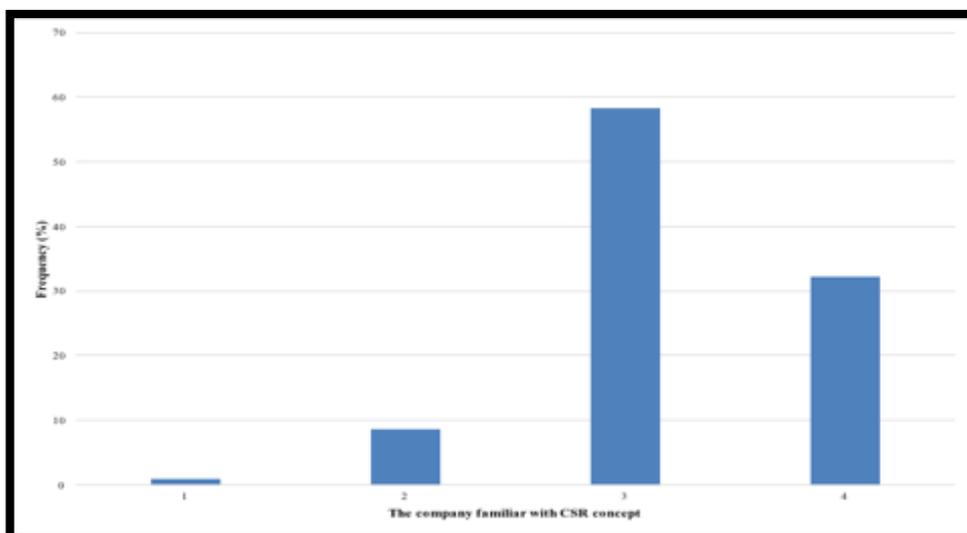
- **Purpose of the question**

The main purpose of the questions (Q7 to 14) section B of the questionnaire (refer to Appendix A) was to indicate the extent to which the SMMEs business owners are aware with concept of CSR. It further seeks to determine whether SMMEs consider CSR as beneficial and it forms part of the business strategy.

- **Results obtained**

Figure 4.4 below shows the number of SMMEs owners that are familiar with the CSR concept.

Figure 4-4:Q9.1



- **Analysis of Results**

Results obtained shows that the majority of the participating owner-managers (123;58%) are aware of the CSR concept. The results further illustrate that 68(32.1%) strongly agree that there are familiar with CSR. Only 2(0.9%) are not familiar with the concept. The overall results obtained on this question shows a positive outcome that 90% of the participants are familiar with the concept

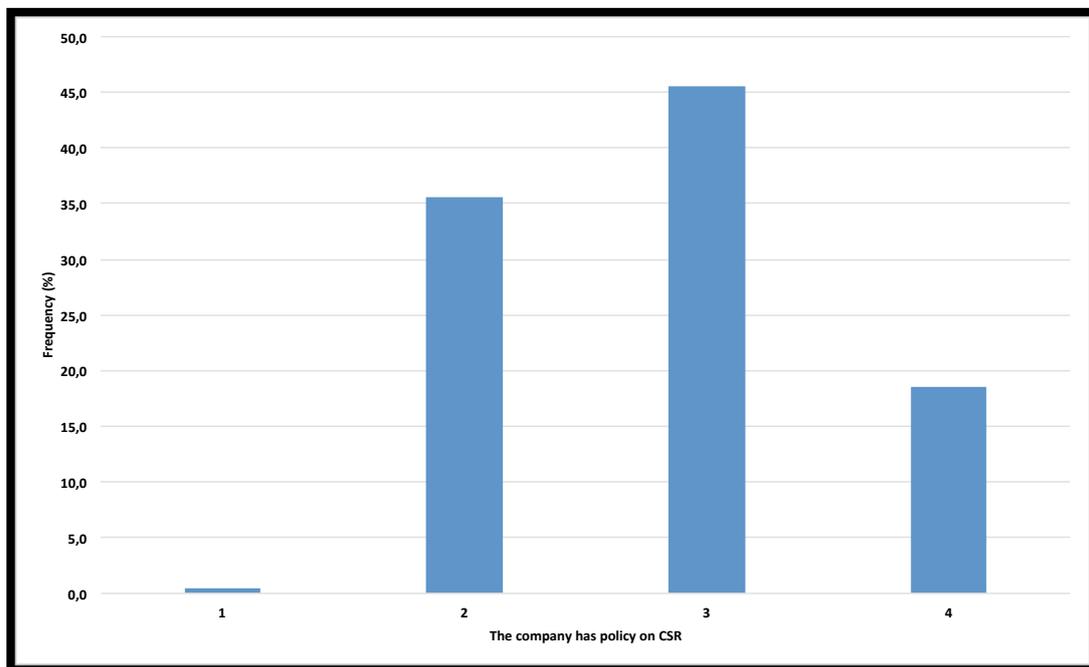
- **Purpose of the question**

The purpose of Q9.2 of the questionnaire (refer to Appendix A) was to determine whether the organizations have CSR policy. The questionnaire seeks to ascertain if the organization has a plan and targets that documented on the CSR policy document.

- **Results obtained**

Figure 4.5 below shows the number of SMMEs owners that have CSR policy that governs the CSR activities within the organisation.

Figure 4-5: Q9.2



- **Analysis of Results**

Results obtained shows that the majority of the participating owner-managers (96;45.3%) have a CSR policy. The results further illustrate that 39(18.4%) strongly agree that they have a CSR policy. However, 75(35.4%) have not developed a policy. Having considered that most don't have policies or proper business documents, therefore to obtained results that shows that approximately 64% of the SMMEs in Middelburg have a CSR policy is good indication. It is not clear why the other SMMEs have not developed CSR policy even though in Q9.1 90 % of these SMMEs are aware of the concept.

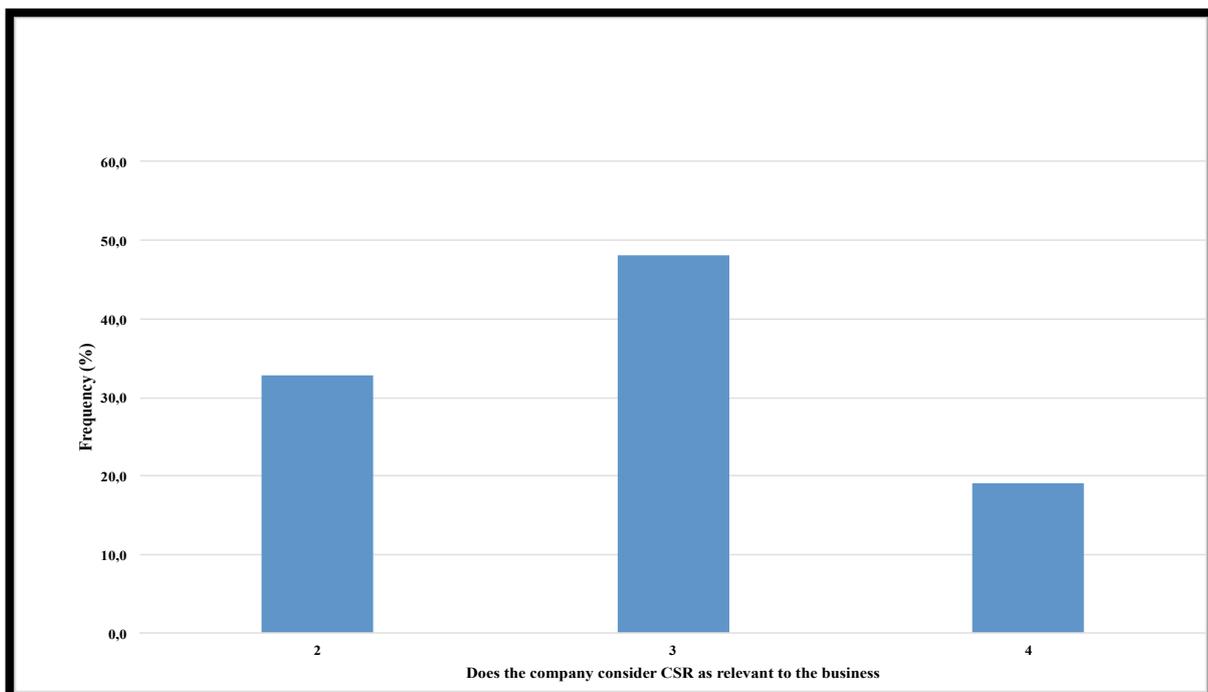
- **Purpose of the question**

The purpose of Q9.3 of the questionnaire (refer to Appendix A) was to determine whether the organization has regards CSR activities or initiatives relevant to business. This was to further ascertain if the company considers all aspects of CSR in its day to day operation.

- **Results obtained**

Figure 4.6 below shows whether CSR activities are relevant to the business or not.

Figure 4-6: Q9.3



- **Analysis of Results**

Results obtained shows that the approximately 55% of the participating owner-managers do regard CSR activities as relevant to the business. However, 101(47.6%) do not believe that CSR is relevant to the business. The results shows a 50% agree and disagree and this is an indication that most of the SMMEs might not engage in CSR activities since there are no perceived benefits for the business in engaging in CSR activities. Only 2 (0.9%) owner-managers did not indicate whether they agree or disagree with the statement.

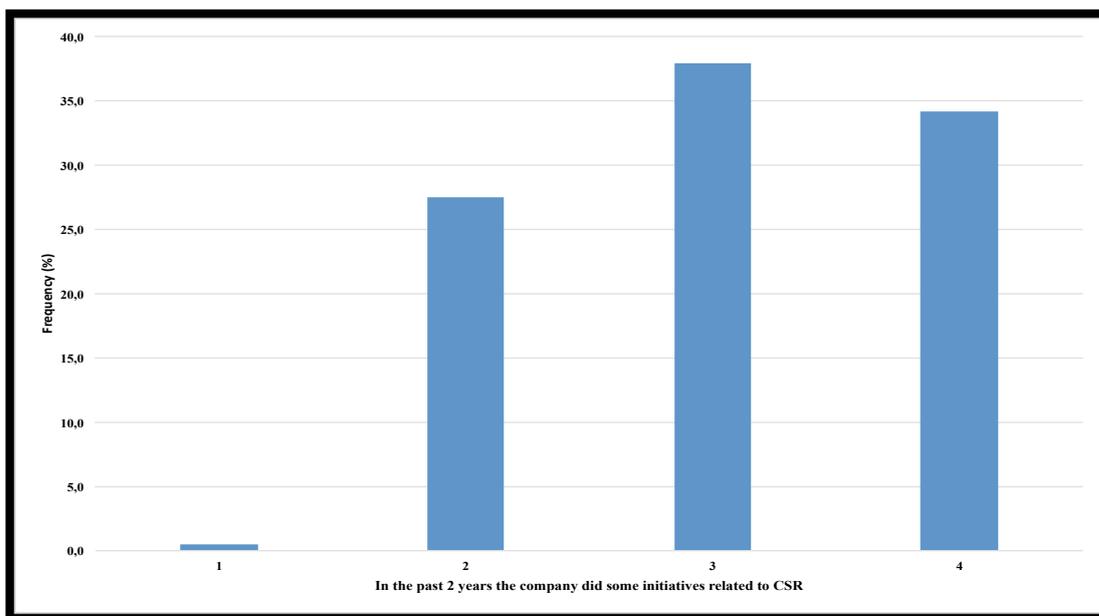
- **Purpose of the question**

The purpose of Q9.4 of the questionnaire (refer to Appendix A) was to determine whether the organization have engaged in CSR activities or initiatives for the past two years. This question covered all activities that the owner-manager can consider it as a CSR activity. further ascertain if the company considers all aspects of CSR in its day to day operation.

- **Results obtained**

Figure 4.7 below shows how businesses have engage in CSR activity for the past 2 years

Figure 4-7: Q9.4



- **Analysis of Results**

The responses from the participating owner-managers indicated that 70% of the businesses have engaged in CSR activities for the past 2 years. Only 59(27.9%) have not done activity which could be related to CSR. This shows that even though some of the companies do not have CSR policy they to some extent get involved with activities related to CSR in their company.

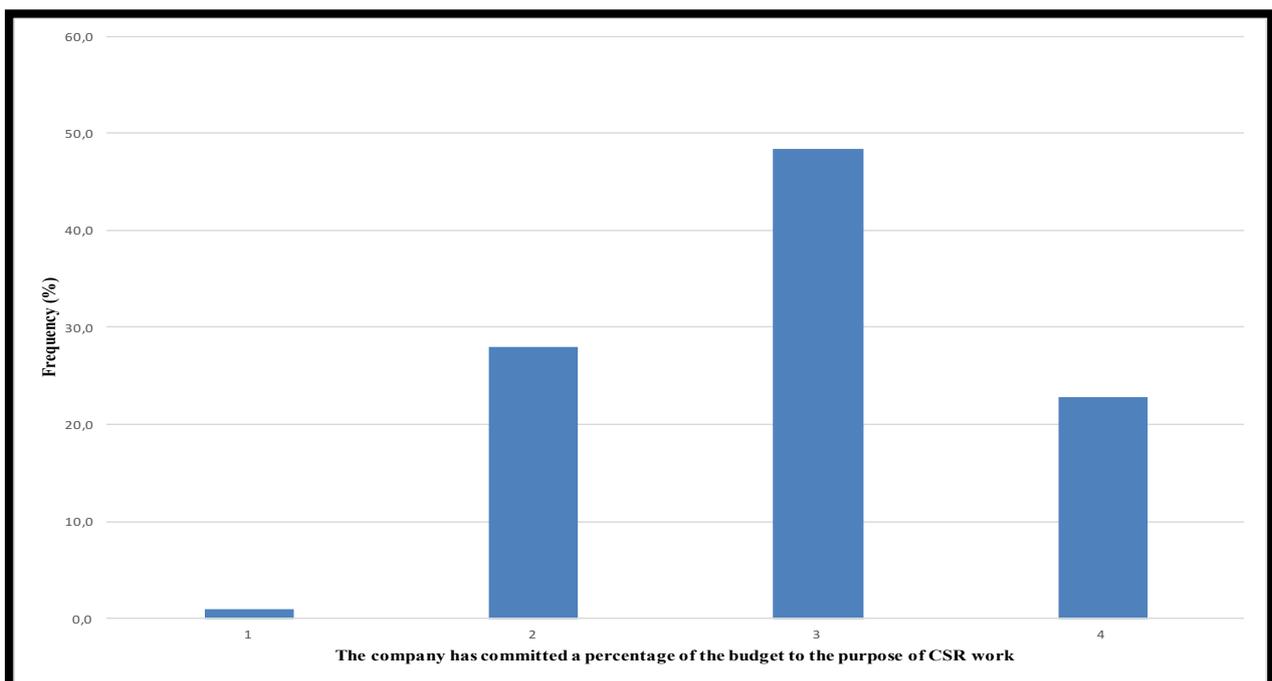
- **Purpose of the question**

The rationale of question Q9.5 of the questionnaire (refer to Appendix A) was to determine whether the organization has committed a certain amount of budget for CSR initiatives or activities. The questionnaire did seek to establish the value of the budgeted amount and the whether the allocated amount will end up being used for something else other than CSR. Therefore, the participants had to indicate whether the organization has a budget for CSR activities

- **Results obtained**

Figure 4.8 below illustrate the results of the businesses that have allocated resources or budgets for CSR activity.

Figure 4-8:Q9.5



- **Analysis of Results**

The responses from the participating owner-managers indicated that 150(70%) have a budget for CSR. The results further show that only less 61(30%) of the participants do not have a budget allocation for CSR. Budget allocation for CSR can be regarded a positive sign towards the implementation of CSR initiatives.

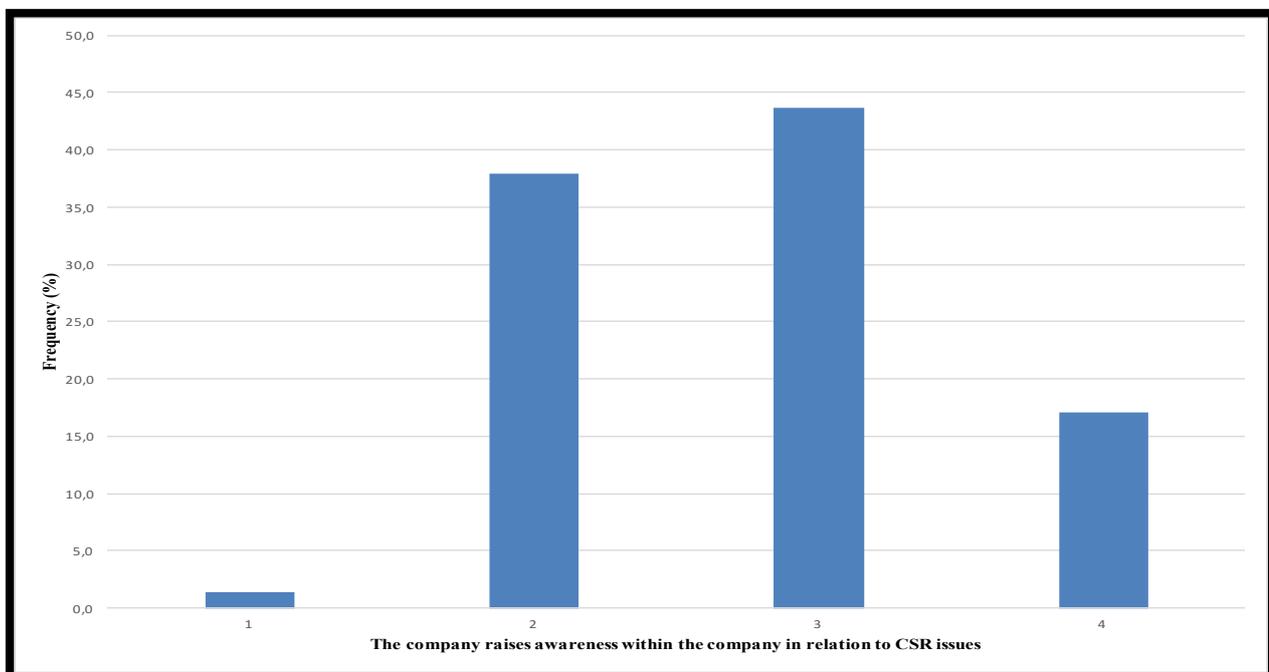
- **Purpose of the question**

The purpose of Q9.6 of the questionnaire (refer to Appendix A) was to determine whether the organizations does communicate CSR activities internally. This could be through monthly meetings or form part of the management review meetings. The organizations can either publish future plan on notice boards or the company intranet. The question was used to determine whether a strong message and awareness regarding CSR is being communicated across board.

- **Results obtained**

Figure 4.9 below illustrates the results of the organisation in relation to CSR communication.

Figure 4-9:Q9.6



- **Analysis of Results**

From the total of 211 business, 65% of businesses do communicate the CSR activities or initiatives. A total of 37% does not communicate CSR. There's clear connection between a good communication of CSR and awareness.

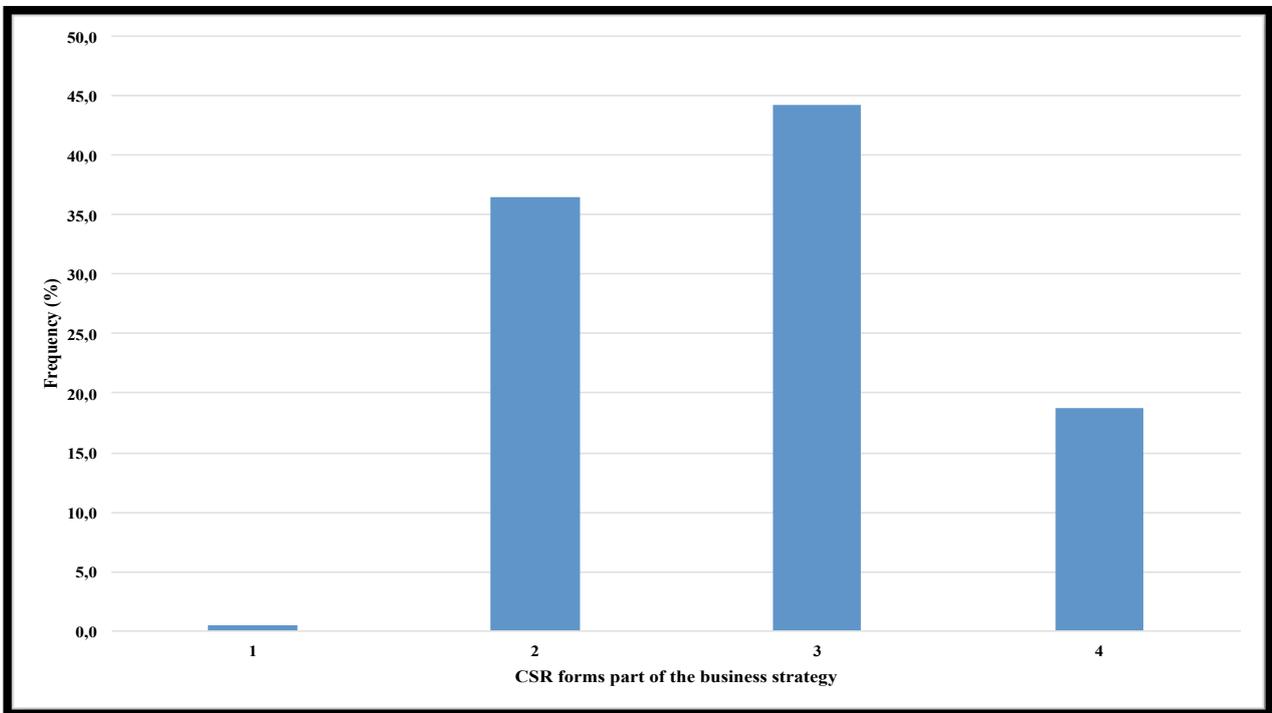
- **Purpose of the question**

Business strategies are developed based on the future plans and values that governs the organization. The rationale for Q9.7 of the questionnaire (refer to Appendix A) was to determine whether the organizations strategy does include CSR. This mainly intended to assess whether CSR does it form part of the business strategy.

- **Results obtained**

Figure 4.10 below illustrates the results of the organisation in relation to CSR with business strategy

Figure 4-10:Q9.7



- **Analysis of Results**

Results obtained shows that the approximately 62% of the participating owner-managers have incorporated CSR activities strategy. Only 37% of the participants are not planning to engage in CSR activities.

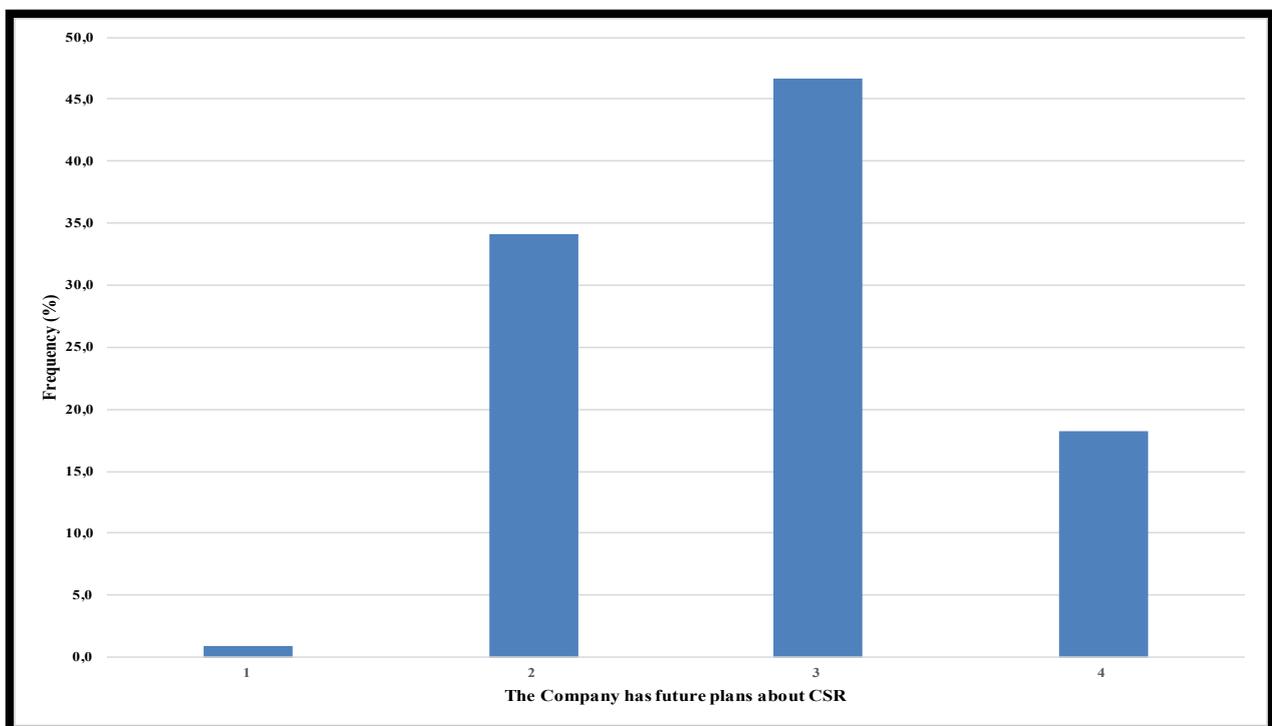
- **Purpose of the question**

Business strategies are developed based on the future plans and values that governs the organization. The rationale for Q9.8 of the questionnaire (refer to Appendix A) was to determine whether the organizations are planning to include CSR in future. This mainly intended to assess whether CSR does it form part of the business strategy.

- **Results obtained**

Figure 4.11 below illustrates the results of the organisation in relation to CSR future plans

Figure 4-11:Q9.8



- **Analysis of Results**

Results obtained shows that the approximately 65% of the participating owner-managers have incorporated CSR activities in their business future plans or strategy. Only 35% of the participants are not planning to engage in CSR activities. However, the picture might change in the near future, since CSR is gaining popularity and most businesses are encouraged by relevant stakeholders to engage in CSR activities in one form or another. The 65% obtained on the results is good sign that SMMEs in Middelburg will support CSR initiatives, whether be it coming from NGO's or government. .

- **Summary on Awareness**

The table 4.6 indicated that the owner-managers of small businesses that participated in this study show that they fully aware of CSR concept ($\bar{x} = 3.22$) as the most important factor in this section. Other indications regarding the willingness to engage on CSR activities were also rated high, i.e. that the company has done CSR activities in the past 2 years ($\bar{x} = 3.06$), the organization has committed a percentage of budget for CSR activities ($\bar{x} = 2.93$). Furthermore, according to the owner-managers that participated in this study, it is clear that most SMMEs embrace the CSR concept and there's a will to engage.

Table 4-6: Awareness measurement in relation to CSR

Awareness	N	Mean	Std. Deviation
Q9.1. The company familiar with CSR concept	211	3.22	0.632
Q9.2. The company has policy on CSR	211	2.82	0.728
Q9.3. Does the company consider CSR as relevant to the business	210	2.86	0.709
Q9.4. In the past 2 years the company did some initiatives related to CSR	211	3.06	0.797
Q9.5. The company has committed a percentage of the budget to the purpose of CSR work	211	2.93	0.737
Q9.6 The company raises awareness within the company in relation to CSR issues	211	2.76	0.744
Q9.7 CSR forms part of the business strategy	208	2.81	0.735
Q9.8. The company has future plans about CSR	208	2.82	0.730

4.1.10 Drivers of CSR in SMMEs

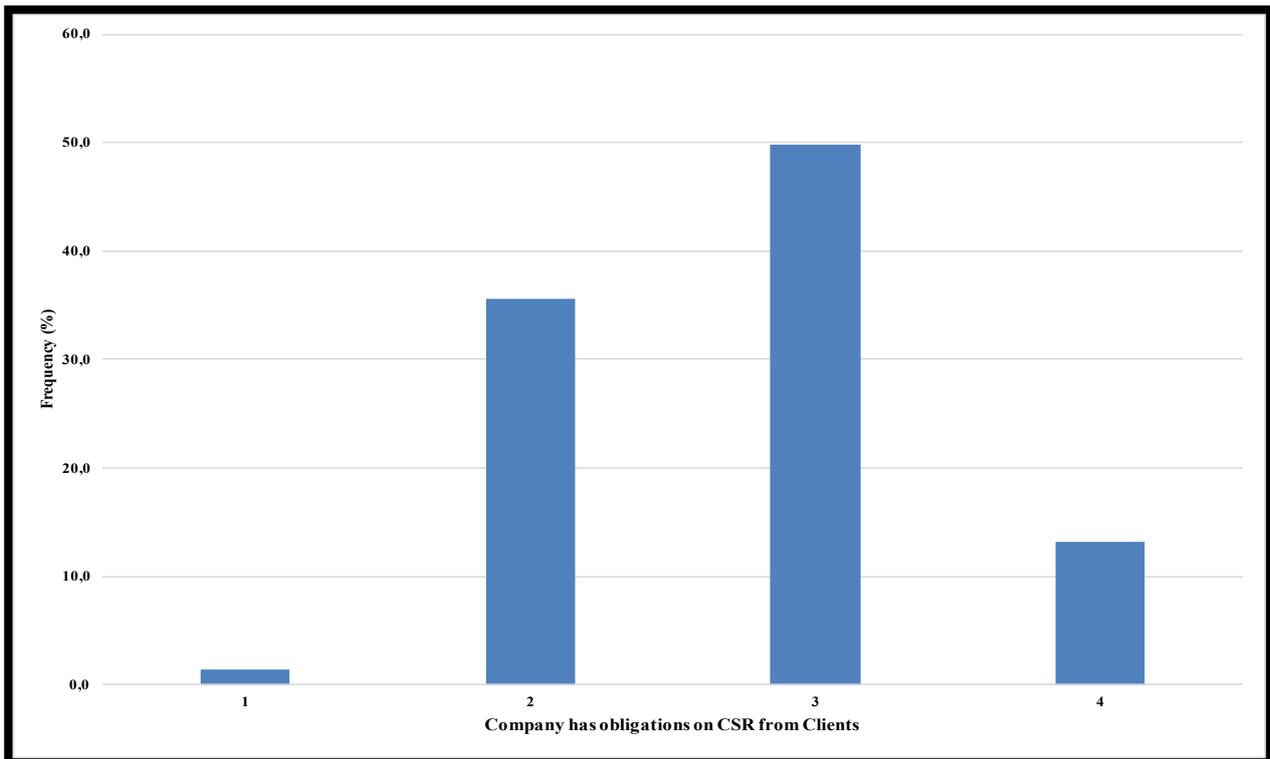
- **Purpose of the question**

The purpose of question 10.1, Section C of the questionnaire (refer to Appendix A) was to determine the drivers that compels SMMEs owner-managers to engage in CSR. The question seeks to determine whether the organization has CSR obligations imposed by the client. In most cases, SMMEs acquire work or contracts from big businesses like mines, Power Stations. Therefore, the expectation is that SMMEs should have targets for CSR, this form part of the drivers for CSR engagement.

- **Results obtained**

Figure 4.12 below illustrates the results of the organization in relation to the obligation that the company has on CSR.

Figure 4-12:Q10.1



- **Analysis of Results**

Results obtained shows that the approximately 65% of the participating owner-managers are obligation from their respective clients to incorporated CSR activities. Only 35% of the participants don't have obligations to engage on CSR. However, SMMEs that do business with State Owned Entities are required to have targets and plan in relation to CSR. This can be considered as one method in which enforcement can be realised.

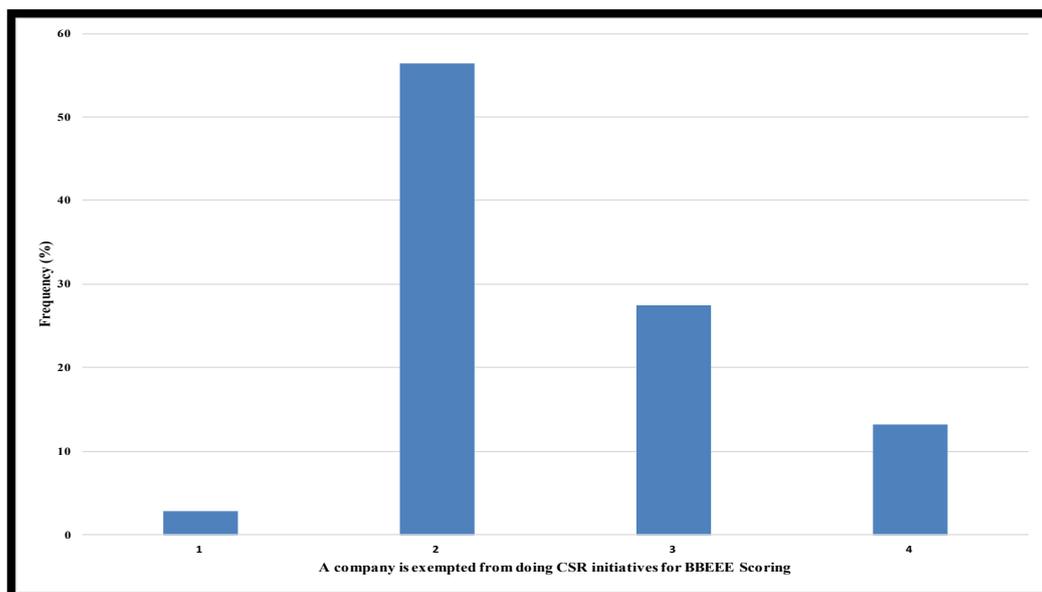
- **Purpose of the question**

The purpose of question 10.2, Section C of the questionnaire (refer to Appendix A) was to determine the drivers that compels SMMEs owner-managers to engage in CSR. Most businesses in engage in CSR for BBBEE score. The BBBEE score card involves elements of CSR like skills development and CSI. Therefore, this aspect can motivate businesses to engage in CSR. The question below sought to understand whether the participants are exempted by this and are classified as Exempted Micro Enterprises (EME's). These are organization with a gross annual turnover of less than R5 million.

- **Results obtained**

Figure 4.13 below illustrates the results of the organization that participated in the survey

Figure 4-13:Q10.2



- **Analysis of Results**

Results obtained shows that 60% of the participating owner-managers are not exempted from engaging on CSR activities, and 40% are exempted. Only 40% of the participants have are not planning to engage in CSR activities. The results indicate that majority of the business owner-manager should engage in CSR activities in order achieve a good BBBEE score card.

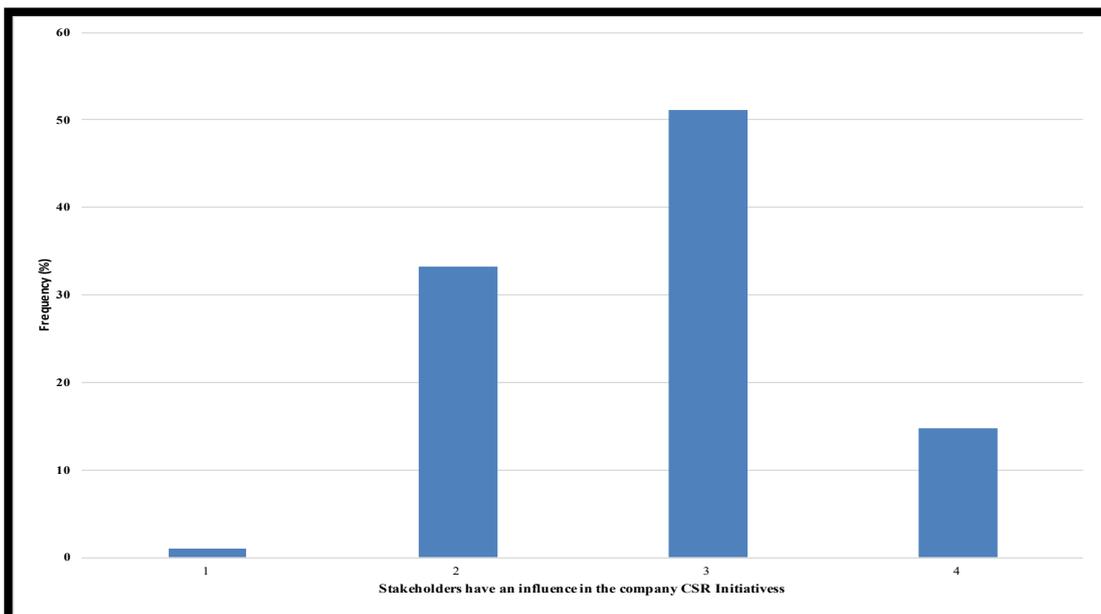
- **Purpose of the question**

Stakeholder engagement is interlinked with CSR. Therefore, rationale of question 10.3, Section C of the questionnaire (refer to Appendix A) was to determine whether owner-managers engage in CSR in order to satisfy the stakeholders. Questions that often emerge in the application of stakeholder theory in the field of CSR are, who are the stakeholders interested in the activities of the business and can influence how resources are allocated to CSR initiatives.

- **Results obtained**

Figure 4.14 below presents the results obtained in relation to the Stakeholders and how they influence CSR.

Figure 4-14:Q10.3



- **Analysis of Results**

The responses from the participating owner-managers indicated that (108; 50.9%) agree that stakeholders have an influence on company's regarding CSR. Note that (31; 14.7%) strongly agree that than four (61; 21.63%) were also indicated. Further indications were that the 72 (33.9%) of owner-managers indicated that the Stakeholders do not influence the way they conduct their CSR activities. The overall results show that more that 65% of business do engage with stakeholders and stakeholder influence the CSR activities.

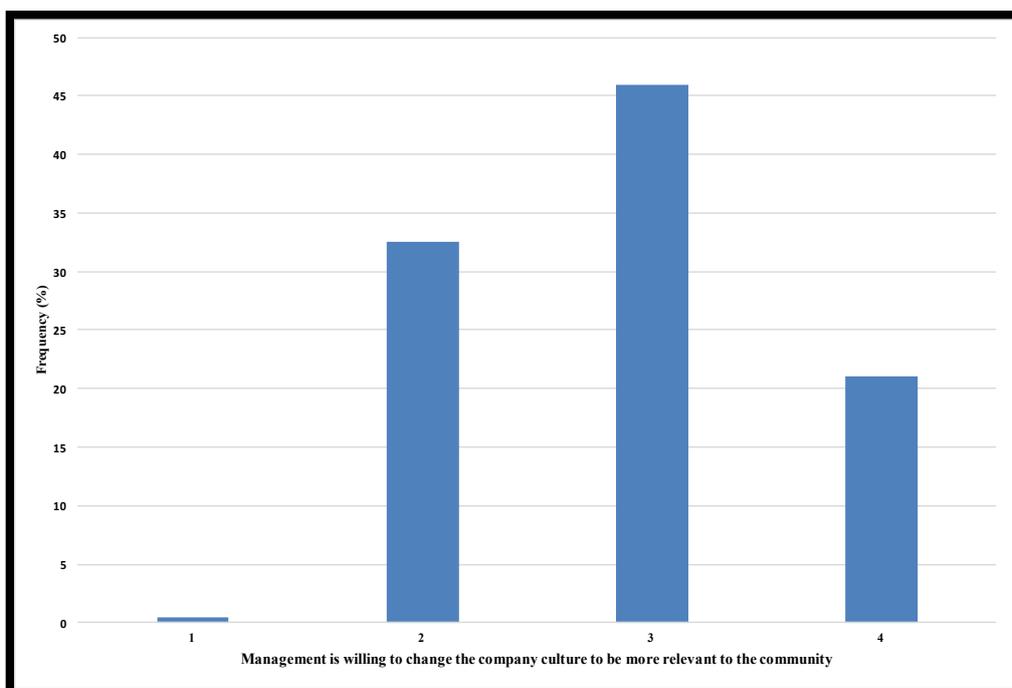
- **Purpose of the question**

The purpose of question 10.4, Section C of the questionnaire (refer to Appendix A) was to determine whether companies have a willingness to change the organizations culture in order to impact the local communities they operate. This one of the elements of CSR

- **Results obtained**

Figure 4.15 below illustrates the results of the organization in relation to the willingness to change the company's culture.

Figure 4-15:Q10.4



- **Analysis of Results**

Results obtained shows that the approximately 67% of the participating owner-managers have a will to change the company culture to ensure that the culture embraces CSR. Only 32% of the participants are not intending to change the culture. The results obtained show a good sign that business involvement in community education, employment is likely to happen within Middelburg.

- **Summary on Drivers**

The purpose of the questions (Q10.1-10.4) section B of the questionnaire (refer to Appendix A) was to indicate the factors that encourage owners of SMMEs to engage in CSR.

Table 4-7: Drivers of SMMEs regarding CSR

Drivers	Items	N	Mean	Std. Deviation
Q10.1. Company has obligations on CSR from the client.	1	211	2.75	0.696
Q10.2. Company is exempted from doing CSR initiatives for BBEEE score	2	211	2.51	0.758
Q10.3. Stakeholders have an influence in the company CSR initiatives and budgets	3	211	2.80	0.691
Q10.4. Management is willing to change the company culture to be more relevant to the community.	5	209	2.88	0.736

The respondent indicates that management does support CSR initiatives and the company is willing to change the culture and comply with CSR as indicated by the high ($\bar{x} = 2.88$). The fact stakeholders have influence on the small business to engage in CSR activity is good sign with mean value of ($\bar{x} = 2.88$). However, most of the respondents disagree that they are exempted by BBEE code to engage in CSR activities ($\bar{x} = 2.88$). Hence the key drivers for CSR are validated by these respondents.

4.1.11 Barriers of CSR in SMMEs

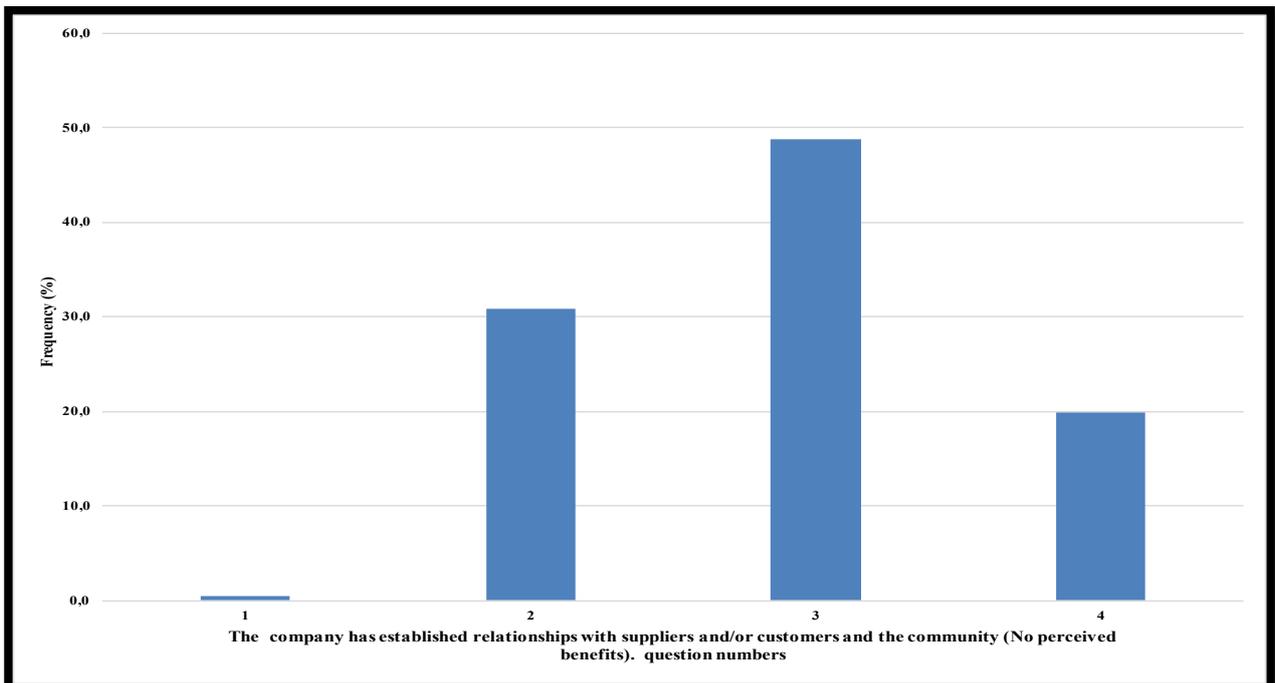
- **Purpose of the question**

The purpose of question 11.1, Section D of the questionnaire (refer to Appendix A) was to assess what are the barriers that inhibit SMMEs owner-managers to engage in CSR. The question seeks to determine whether the organization does not acknowledge the perceived benefits, therefore CSR activities can be deemed unnecessary by the company.

- **Results obtained**

Figure 4.16 below illustrates the results of the organization in relation perceived benefits to engage in CSR

Figure 4-16: Q11.1



- **Analysis of Results**

The results illustrate that more than 65% of the owner-manager do not perceive the positive effect on business be either financial performance or sustainability of the business. Only 31% they recognize the perceived benefits in engaging with CSR. These results validate the notion that most SMMEs fail to adopt CSR because they don't perceive the benefits. This might also be interpreted as a meaning that respondents would not perform CSR because they do not expect their organizations to benefit from it. This is a concern

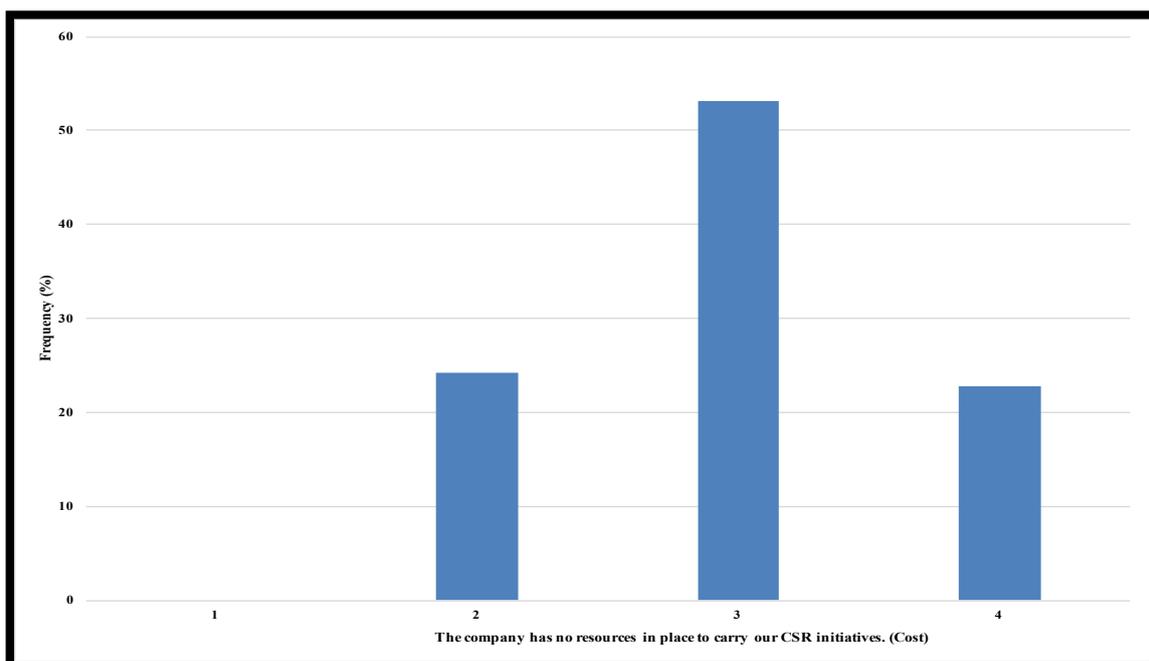
- **Purpose of the question**

The challenges to CSR implementation for SMMEs include cost and other factors. The purpose of question 11.3, Section D of the questionnaire (refer to Appendix A) was to assess that cost or financial constrains does prevent SMMEs owner-managers to engage in CSR.

- **Results obtained**

Figure 4.17 below illustrates the results of the organization in relation to the obligation that the company has on CSR.

Figure 4-17: Q11.2



- **Analysis of Results**

Results shows that 75% of the respondents agree that cost of engaging with CSR activities is limiting factor. Only 15% of the respondents disagree with the statement. The most common barrier associated with CSR is Cost. SMMEs do not have resources, therefore the results affirm that SMMEs in Middelburg also suffer from lack of resources.

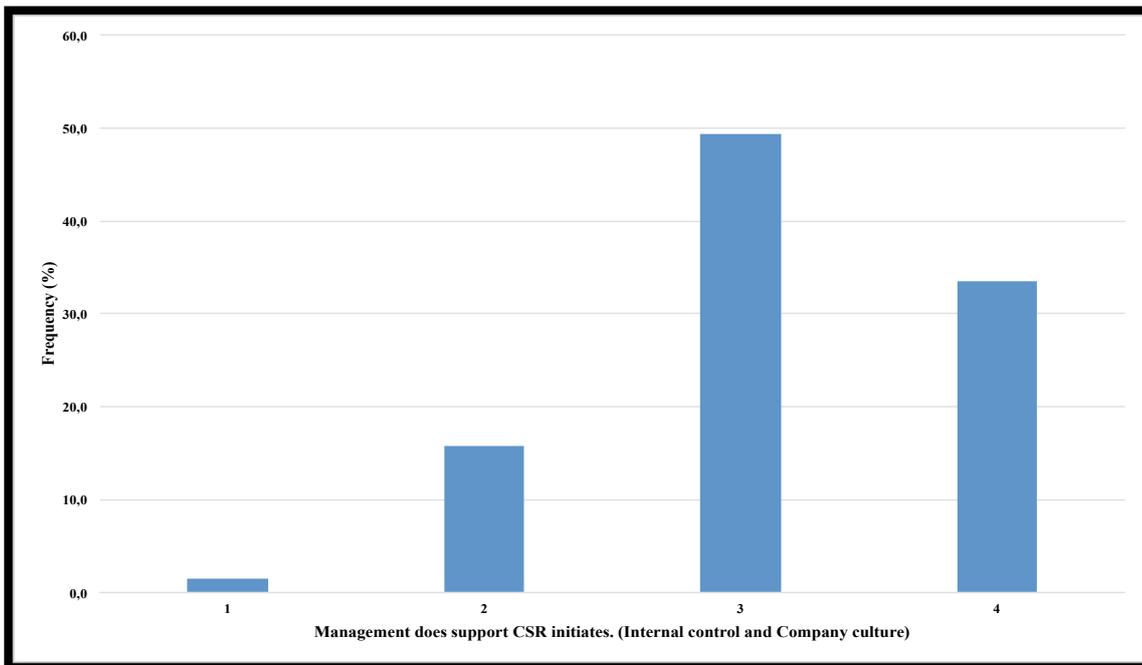
- **Purpose of the question**

The purpose of question 11.3, Section D of the questionnaire (refer to Appendix A) was to assess whether management does support CSR. Literature highlights that CSR demands a favorable management attitude. Therefore, question seeks to determine whether management gives necessary support regarding CSR activities.

- **Results obtained**

Figure 4.18 below illustrates the results of the organization in relation to the company culture on CSR.

Figure 4-18:Q11.3



- **Analysis of Results**

The results indicate that 48% of the respondents agree that in most cases management does support CSR activities. Furthermore, the results show that 85% of business agrees with the statement. Only 15% disagree with the statement. This internal control is noted as risk by various scholars and can be regarded as a barrier to CSR implementation. However the results shows that in this case most managers does support CSR.

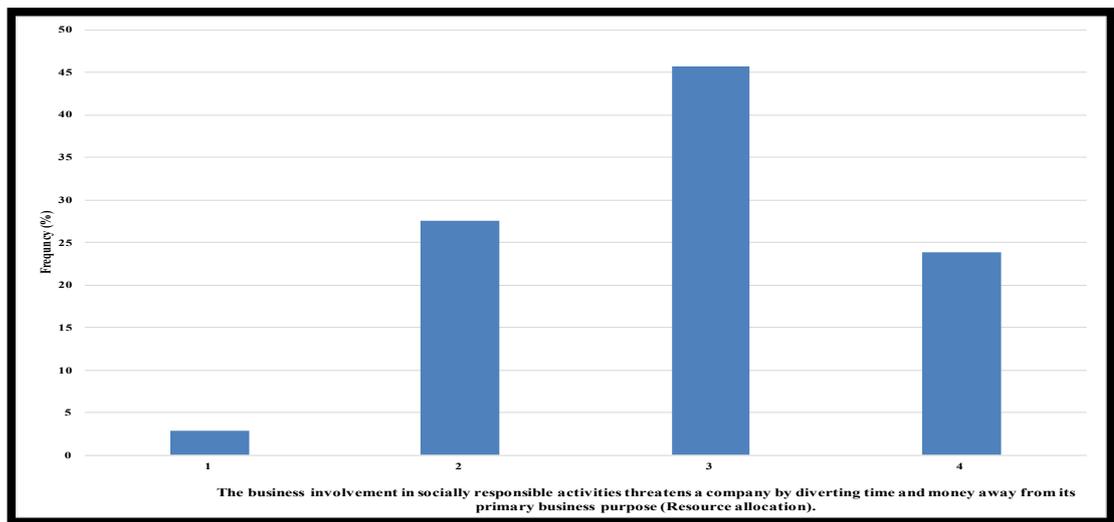
- **Purpose of the question**

The rationale for question 11.4, Section D of the questionnaire (refer to Appendix A) is to determine whether SMMEs business owner-manager does prioritize CSR activities when it comes resource allocation. The question covers many aspects in relation to challenges on CSR implementation for SMMEs include: access to finance, lack managerial skills and many more other factors that affects resource allocation.

- **Results obtained**

Figure 4.19 below show the results of organizations surveyed in relation to resource allocation.

Figure 4-19:Q11.4



- **Analysis of Results**

The majority of the respondents indicated that they believe that engaging in CSR could destroy the company’s cash flow. The results shows that 80% of the respondent agree with the statement, whilst the rest of 20% disagree. This is an indication that most SMMEs might not be in a position to implement CSR initiatives based on the resource allocation. The process appears to be technical and if management lacks such skills CSR in this particular organization might not be realized.

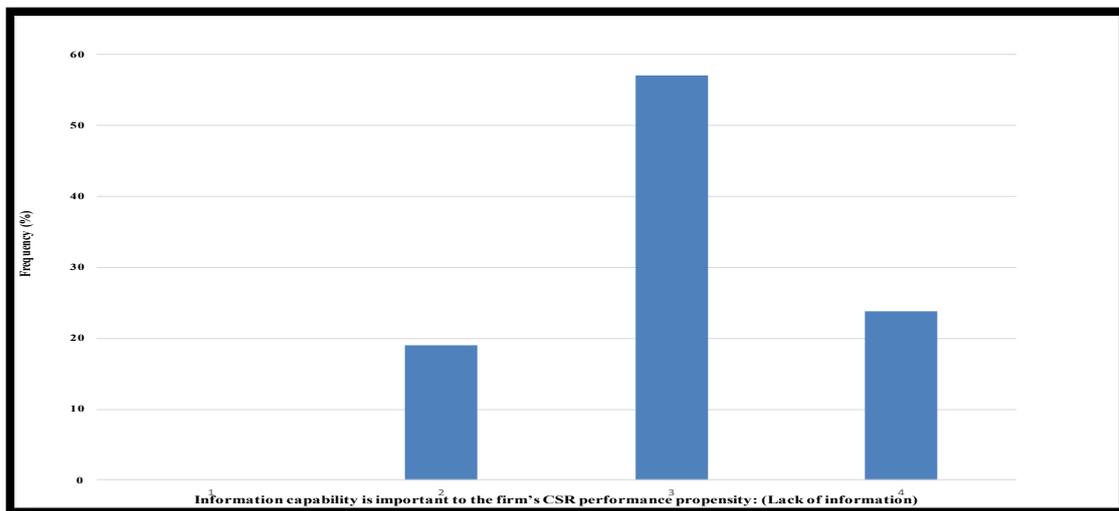
- **Purpose of the question**

The purpose of question 11.5, Section D of the questionnaire (refer to Appendix A) was to assess the lack of information in relation to CSR. CSR is potentially difficult to define, acquiring relevant information and CSR initiatives presents challenges and has a potential to slow down effective implementation. The question seeks to determine whether the organization does have necessary skills to be able to implement CSR activities.

- **Results obtained**

Figure 4.19 below illustrates the results of the organization in relation to the lack of information on CSR.

Figure 4-20:Q11.5



- **Analysis of Results**

Majority of the respondents which represents 82% of the owner-managers of small businesses indicated that they don’t engage in CSR because of the lack of knowledge and skills to implement CSR. A total of 18% disagree with the statement.

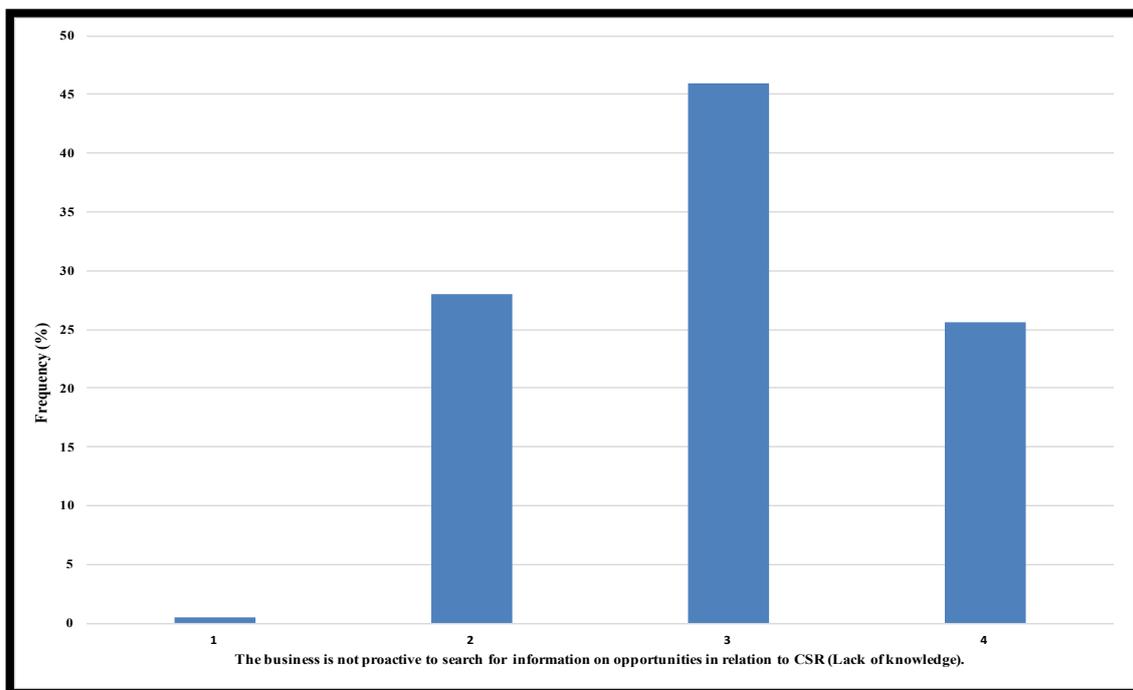
- **Purpose of the question**

The purpose of question 11.6, Section D of the questionnaire (refer to Appendix A) was to assess the lack of knowledge in relation to CSR implementation. The question seeks to determine whether the organization does not acknowledge that lack of training and information on CSR practices can hinder the implementation of CSR in an organization.

- **Results obtained**

Figure 4.21 below show the results of the organization on Lack of knowledge on CSR

Figure 4-21:Q11.6



- **Analysis of Results**

The majority of the respondents indicated that they believe that engaging in CSR requires proper training and knowledge. The results shows that 77% of the respondent agree with the statement, whilst the rest of 23% disagree. This is an indication that most SMMEs might not be in a position to implement CSR initiatives if skills and knowledge about CSR is not addressed. The organization might be required to outsource the CSR to CSR practitioners or consultants.

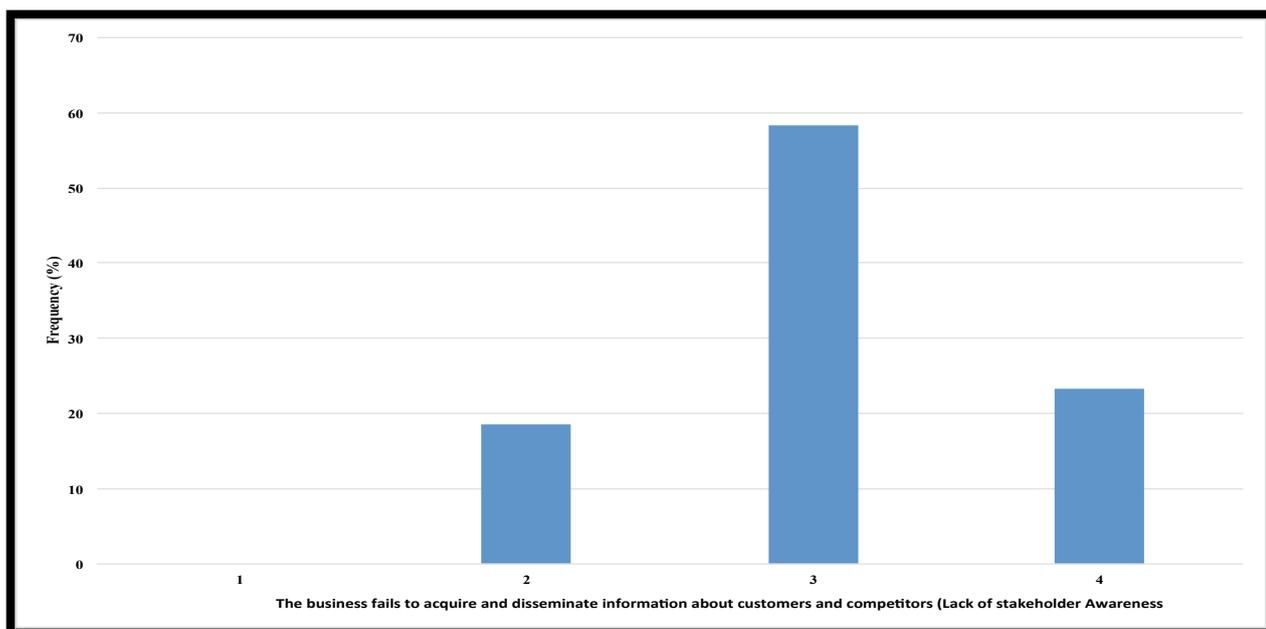
- **Purpose of the question**

Question 11.7, Section D of the questionnaire (refer to Appendix A) was developed to assess if stakeholders are not aware of CSR they might slow down or prevent the implementation of CSR activities. The question seeks to determine whether the organization does not acknowledge that the unhealthy establishment of CSR and lack of ethical awareness keeps the stakeholders uninformed as to CSR implementation.

- **Results obtained**

Figure 4.22 below show the results of the organization obtained in relation to CSR and Stakeholder awareness.

Figure 4-22:Q11.7



- **Analysis of Results**

The data gathered for this study indicates that 80% of the owner-managers agree that if stakeholders are not aware about CSR this has a negative implication regarding CSR implementation. Only 20% of the respondents disagree with the statement.

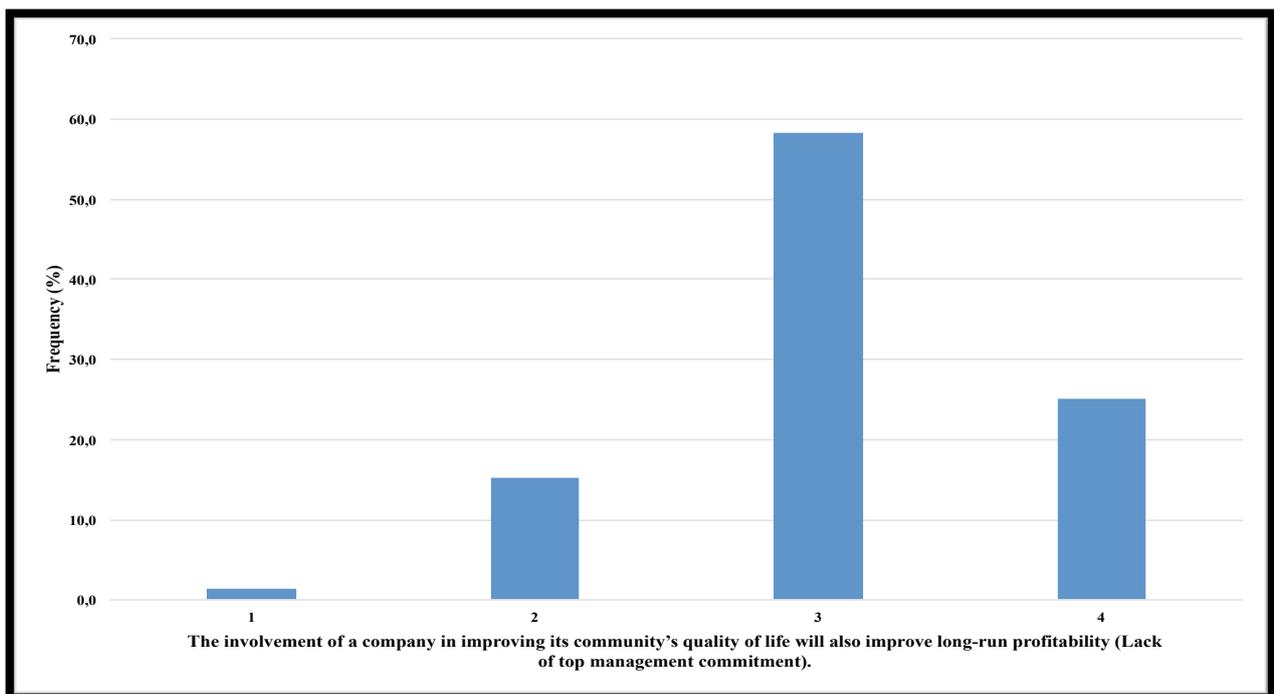
- **Purpose of the question**

The purpose of question 11.8, Section D of the questionnaire (refer to Appendix A) was to determine the top management’s commitment to CSR. Some of the top level managers only focus on financial profit rather than societal benefits. Therefore this question is used to assess the attitude of top managers in relation to CSR. Top managers are the key decision makers in SMMEs therefore, they can be classified as barriers if they don’t believe in societal benefits.

- **Results obtained**

Figure 4.22 below illustrates the results of the organization in relation to the obligation that the company has on CSR.

Figure 4-23:Q11.8



- **Analysis of Results**

The results show that on average 80% of the respondents agree with the statement, only 20% disagree. This is an important barrier for the implementation of CSR. Another important barrier for the CSR implementation in Indian textile sector is the lack of top-level management support. This

barrier is highly influenced by the lack of resources, because top-level management expects the government to provide funding and subsidies for the CSR activities practiced in their firm. Many shareholders are not interested in CSR activities and continue to think that the firm's only aim is to increase profits and to focus only on value-maximizing objectives (Barnea & Rubin, 2010, p. 74)

- **Summary on Barriers**

The purpose of questions Q18 to Q26 in Section C of the questionnaire (refer to Appendix A) was to identify the barriers of owner-managers that inhibit rural small businesses to engage in CSR. The study outcomes can be utilized to provide the necessary support from management in relation to CSR. The average or mean (\bar{x}) and the standard deviation (s) of each of the 8 barriers are indicated in Table 4.8 below.

Table 4-8: Illustrate the barriers to the implementation of CSR

Barriers	Items	N	Mean	Std. Deviation
Q11.1. The company has established relationships with suppliers and/or customers and the community (No perceived benefits).	1	211	2.88	0.717
Q11.2 The company has no resources in place to carry our CSR initiatives. (Cost)	2	211	2.99	0.686
Q11.3 Management does support CSR initiates. (Internal control and Company culture)	3	209	3.15	0.729
Q11.4. The business involvement in socially responsible activities threatens a company by diverting time and money away from its primary business purpose (Resource allocation).	4	210	2.90	0.789
Q11.5. Information capability is important to the firm's CSR performance propensity: (External control)	5	210	3.05	0.654
Q11.6. The business is not proactive to search for information on opportunities in relation to CSR (Lack of knowledge).	6	207	2.97	0.746
Q11.7. The business fails to acquire and disseminate information about customers and competitors (Lack of stakeholder Awareness)	7	211	3.05	0.646

Q.11.8. The involvement of a company in improving its community's quality of life will also improve long-run profitability (Lack of top management commitment).	8	211	3.07	0.676
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Based on the data on table 4.8, it is evident that most respondents agree with the listed barriers. Item 3 that considered the internal control and company culture as the most barrier to CSR activities with a mean value of ($\bar{x} = 3.15$) and is the highest of all 8 items measured.

All the eight barriers in table 4.8 did display a very high numbers in terms of ratings, with average ($\bar{x} = 3.00$). This is consistent with previous literature studies on barriers. Elaborate so that the examiner can see you can link the literature with your data

4.5 CONSTRUCT VALIDITY OF THE MEASURING INSTRUMENT

The psychometric properties of the measuring instrument were investigated by assessing content and reliability.

4.5.1 Reliability

According to Levine (2011,114), a central tendency of a data is measured with mean. The mean is in essence the “balance point” in a set of data. The reliability in statistical data is described as an overall consistency of a measure. Cronbach’s alpha values were computed to test the level of reliability of each factor. According to Luo *et al.* (2010: 531), a Cronbach’s alpha coefficient of 0.7 is an acceptable minimum coefficient; however, a lower reliability coefficient of 0.50 may be sufficient for analytical scrutiny when ratio scales, such as the Likert scale, are used (Moolla & Bisschoff, 2012:106)

Table 4-9: Cronbach alpha value on Awareness

	Cronbach's Alpha	No. of items
The company familiar with CSR concept	0.929	4
The company has policy on CSR	0.895	4
Does the company consider CSR as relevant to the business	0.902	4
In the past 2 years the company did some initiatives related to CSR	0.896	4
The company has committed a percentage of the budget to the purpose of CSR work	0.891	4
The company raises awareness within the company in relation to CSR issues	0.890	4
CSR forms part of the business strategy	0.891	4
The company has future plans about CSR	0.897	4

The Cronbach's alpha values were all above 0.85 and therefore the questionnaire is deemed reliable. Indicating that the data set has passed the reliability test and information can be used with confidence. The Cronbach's alphas for the Question 9.1 (CSR familiarity) and Question 9.4 (business considering CSR as business strategy) were 0,929 and 0,902 respectively. While the minimum score was 0.890 on the question that measures whether the organisation communicate CSR and runs campaigns internally. Scales with a Cronbach's alpha of 0.70 and above are deemed to be internally reliable for conclusive research. Hence, the scales were internally reliable.

4.5.2 Factor analysis and Validity

Validity was assessed by means of an exploratory factor analyses (EFA), principal component analysis with the Oblimin rotation, and the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy. The following information is shown on the below table:

Table 4-10: Validity and Reliability of Awareness on CSR

KMO	Bartlett's Test (p-value)	% Variance explained	Cronbach's alpha
0.867	0.000	59.313	0.939

The data measuring the awareness of CSR yielded a sampling adequacy of 0.867 and the Bartlett's test of sphericity yielded a p-value of smaller than 0.001 indicating that the patterns of correlations are compact and that a factor should yield reliable factors (Field, 2009:647). In order to determine the number of factors to be extracted, Kaiser criterion was used, namely to retain factors with Eigen-values greater than one (Field, 2009:647). Only two (2) factors demonstrated sufficient discriminant validity by loading to a sufficient extent. Table 4.11 shows that only factor 1 and 2 can be utilize for further analysis of the data and the rest was deleted.

Table 4-11:Factor analysis on Awareness

Factors	Total
Factor 1 The company familiar with CSR concept	5.031
Factor 2 The company has policy on CSR (Factor 2)	1.031
Factor 3 Does the company consider CSR as relevant to the business	0.557
Factor 4 In the past 2 years the company did some initiatives related to CSR	0.475
Factor 5 The company has committed a percentage of the budget to the purpose of CSR work	0.331
Factor 6 The company raises awareness within the company in relation to CSR issues	0.261
Factor 7 CSR forms part of the business strategy	0.187
Factor 8 The company has future plans about CSR	0.126

Further, during the study factor loadings with equivalent greater than 0.35 were considered significant (Field, 2009:637). Only factor 2 demonstrated sufficient discriminant validity by loading to a sufficient data and the rest was excluded including item 2.

Table 4-12: Oblimin rotated factor matrix: Awareness

Factors	Extraction
The company has policy on CSR	0.716

Table 4.12 shows that the items expected to measure the Awareness, Item 1 was disregarded as a component to measuring item. The study considered to use item 2 for factor analysis since it has greater than 0.35 of factor extraction criterion using Eigen-values. According to David (2005:446). The table 4.13 below, shows out of 211 SMMEs in Middelburg, a mean value of 2.91 was achieved indicating that good picture that local SMMEs are aware of CSR and its importance.

Table 4-13: Descriptive statistics of the factor CSR Awareness

Factor	N	Mean	Std. Deviation
Awareness	211	2.91	0.569

The company policy in relation CSR was used a major factor to validate the awareness. The purpose of this empirical section is to compare the awareness of CSR between large and small business based on business turn. The study looks at the effect of size versus the annual turnover. Table 4.14 indicated significant difference between small businesses on the one hand and the micro and very small business on their perception.

Table 4-14: Comparison of means for business turn over (Size) and Awareness

Business Size	Effect of Size						
	N	Mean	SD	<=500k	<=750k	<=R1million	<=R5 million
<=R500k	52	2.65	0.584				
<=R750k	44	2.87	0.617	0.35			
<R1 million	51	2.99	0.556	0.60	0.22		
<=R5 million	31	3.10	0.433	0.78	0.38	0.18	
>R5 million	33	3.07	0.473	0.73	0.34	0.14	0.05

The survey of Middelburg Semmes's validates the literature data that bigger business is more aware of CSR than smaller business as identified in literature. Many empirical studies show that larger companies are more active in CSR related activities than SMME's (Thomas, 2011:240).

4.6 SUMMARY

This chapter presented the main findings of the empirical study that are:

The descriptive statistics for demographic data showed normal distribution. Based on the demographic data of Middelburg SMME's environment appears to be made up of micro and small businesses with a small indication of medium enterprises participating in the survey. The data also shows that ownership/management of Middelburg SMME's is evenly distributed between sexes and mainly young people. The data indicates that more than 90% of the business owners have tertiary education. The descriptive statistics also shows that Black South Africans dominate the Middelburg SMME's environment with close to 36% of the market share.

Items analysis showed scale of frequency distribution that were higher, indicates the majority of the respondents agree with the statement.

Section B of the questionnaire regarding Awareness, the results show that majority of the respondents are familiar with the CSR concept and its illustrated by 60% of the respondents. In general, most of the business owner-managers are fully aware of the CSR concept. Further on the results, it is evident that most of the companies have a CSR policy. CSR policy is fundamental to awareness and the implementation of CSR activity. Section C of the questionnaire on Drivers for the implementation of CSR in small business indicated that majority of the respondents agree with statements. This indicates that drivers recorded in literature also apply in Middelburg.

The study on the barriers to the implementation of CSR shows that cost and lack of knowledge are the leading barriers represented by 80% of the responses.

The study used descriptive statistics to compute the mean (\bar{x}) and the standard deviation (SD) to interpret the different constructs classified by the factor analysis. The results shows that the mean score for SMME's Awareness to CSR concept is scored the 2.91, which can be considered sufficient for rural business. However, the main factor that shows whether the business owners/management is aware of the CSR is factor 2. The questionnaire seeks to determine if the organization has CSR policy. The second and the third part of the questionnaires considered the drivers and barriers in the implementation of CSR programs.

Chapter 5 discuss the findings, makes final conclusion, provides recommendations for the policy makers and makes suggestions on areas for further research.

5. CHAPTER 5

CONCLUSIONS AND RECOMMENDATIONS

5.1 INTROUDUCTION

The main purpose of this chapter is to review the study objectives as discussed in chapter 1 and to determine if they have been achieved. The primary objective of the study was to investigate the CSR awareness or perception of small, micro-medium-sized enterprises (SMME) in Middelburg. The secondary objectives were:

- To gain an understanding of corporate social responsibility by means of literature study.
- To gain insights, into perceptions and attitudes of small, medium and micro-sized enterprises regarding social corporate responsibility by means of literature study.
- To assess the drivers behind the implementation of social corporate responsibility in SMMEs by using empirical data.
- To further understand the underlying challenges or barriers facing SMMEs in implementing social corporate responsibility.

In order to answer these questions, it was necessary first to perform a review of related literature. The researcher examined various SMMEs leaders from different sectors in Middelburg. The researcher collected sufficient data by means of a questionnaire from the SMME business leaders in relation to this study. This chapter will assess whether the literature review and the data collected during the study contributed to the research topic. The following sequence is followed in order to achieve the objective of this study:

- Summary of the study
- Findings from the literature review
- Findings from the empirical research
- Findings in relation to the objectives of the study
- Recommendations
- Conclusions.

5.2 CONCLUSIONS

All the businesses that participated in this study (211 in total) can be classified as small medium micro enterprises based on the South African classification. All the businesses were operating in Middelburg under Steve Tshwete Local Municipality in Mpumalanga. It can be concluded that the study sample represented the size of the business as well as the geographical demarcation as was intended to investigate on this study.

This section of the study draws conclusions of the study mainly based various extant literature studies and the empirical findings that emerged from the quantitative analysis study, through the gathering of data by means of completing questionnaires. The research conclusions will then be discussed with specific emphasis on the literature study and the findings.

5.3 Biographical information of owner-managers

This section of the study conclusions based on gender, age group classification, race, highest level of academic qualification, sector in which business operates, company size by means number of permanent staff employed, business annual turnover, and the number of years the company has been in operation of the owner-managers that participated in this study will be discussed.

5.3.1 Gender

The results of the study indicated that small business operations with Middelburg in Steve Tshwete Local Municipality are largely dominated by male (59%) in contrast to their female (41%). These findings support the findings of 2016 GEM (South Africa Gem) report that in South Africa, men are 1.5 times more likely to peruse entrepreneurial activity than female counterparts (GEM, 2016). According to the study conducted in Harvard, shows that more women leaders means higher levels of of corporate social responsibility. The study further shows that more women leaders is correlated with higher levels of philanthropy. (Soares, Marquis, & Lee, 2012)

5.3.2 Age group classification of owner-managers

The results of the study indicated that the majority (23.6%) of the owner-managers of small businesses that participated in the study were aged between 45 and 54 years. Out of the total owner-managers who took part in the study, 5.7% were aged between 55 to 64 years. The data revealed that 8% of owner-managers were younger than 24 years. 19.8% of the respondents fall between

the age of 25 and 34. This is good picture since government expects young people to form part of the main stream economy by starting businesses.

5.3.2.1 Race classification

The indicates that the majority (35.8%) of the owner-managers who participated in the study were from the Black race group. This is followed by other races such as the Indian population with 31.6 %. The results further shows that colored people accounted for 4.7%.

5.3.3 Highest level of academic qualification of owner-managers

Educational achievement by the owner-managers of small businesses had been generally favorable throughout the study areas. Regarding post gradational (Hons and Master), most of the owner-managers, 46%, possess degrees. This was preceded by 46.7% educational qualifications that were below post-graduation. Only 6.6% of the respondents have matric educational qualifications. This implies therefore that entrepreneurial activities and small business operations is mainly be driven by individuals with formal educational background.

5.3.4 Business Sector

Twenty-three per cent of the owner-managers who participated in the study operated as service-focused sector followed by manufacturing 18.9% worked within the industries. Agriculture industries, media and electricity accounted for a total of 37% of the businesses. The general implications may vary; for instance, a large amount of capital is required to operate and train employees to acquire relevant skills within the mining and run the mines. Participation within the mining sector was very low (9%).

5.3.5 The size of business (in permanent employees)

For the purpose of this study, the participating businesses were classified according to the South African business size classification. The South African National Small Business Act N0. 102 of 1996 and National Small Business Amendment Act (SEDA, 2016) classify micro-businesses, very small and small businesses, as businesses that employ less than 50 full-time equivalent of paid employees.

Referring to Table 4.5, it can therefore be concluded that all the businesses that participated in this study can be classified as SMMEs.

5.3.6 Turnover of the business

According to the National Small Business Act 102 of 2004, business turnover is one of the criteria that are used to classify businesses. As indicated by the National Small Business Act 102 of 2004, an annual turnover of R1 000 000 (one million rand) serves as the determinant of small businesses. It further classifies small and medium-sized businesses with annual turnover of R15 000 000 (fifteen million rand) and R50 000 000 (fifty million rand).

As indicated (Table 4.6), the majority (24.1%) of owner-managers of the small businesses earned an annual turnover of less than R750 000- R1 million. This was followed by (20.8%) annual turnover earnings between R500 000 to R750 000 and R250 000 to R500 000. However, only 4.2% of the participating businesses had an annual turnover less than R250 000. Taking these yearly earnings into account, it implies that most of the owner-managers who participated in this study across the district municipalities were owners of small businesses as defined (South African National Small Business Act, 1996) and (National Small Business Amendment Act, (SEDA, 2016)

5.3.7 Age of the business

Long-term business operations create the potential for sustained business activities. In general business sustainability is a critical sign of business success in general. From a total of 211 owner-managers of participating small businesses, 36% of the businesses operated for less than five years. A total of 18,9% of the businesses operated between 5 and 10 years. Only 15.1% of the businesses operated for 10-15 years.

5.4 Conclusion on CSR Awareness by SMMEs

The purpose of this study was to assess the awareness of business owner's-managers in relation to the CSR concept. The study used the a four-point Likert scale, where a rating of 1 on the scale indicated that the respondent strongly disagrees with the statement and 4 indicated that the respondent strongly agrees. The results were analyzed by using frequency distribution for all 7 questionnaires. Based on the findings of this study, the following conclusions can be made:

- **Owner-manage familiar with CSR concept:** Majority of the respondents revealed an average score of 65%, indicating that small business owners tended to agree that they are familiar with the concept.
- **The company has policy on CSR:** Data shows that 65% of the participants have CSR policies and only 35% does not have CSR. It can be concluded that most SMMEs in Middelburg are in advance stage with regards to the CSR awareness. This can be an indication that policy might have detailed elements of CSR.
- **The company consider CSR as relevant to the business:** Results illustrate that 67% of the respondents believe that CSR is relevant for the business. Only 33% of participants disagree with the statement. However, it can be concluded that majority of businesses will embrace CSR concept with ease.
- **Company has engaged in CSR for the past 2 years:** A majority of 34.1% strongly agrees followed by 37.9% that agrees with the statement. A total of 72% of the respondents have been involved in CSR in one form or another. However, a total of 28% have done single activity that is related to CSR.
- **Budget allocation for CSR activity:** In conclusion, it is evident that majority of the owner-manager have committed a certain percentage of money or resources that should address CSR implementation. The results show 71% of the participants agrees. This is good indication to fast track the implementation of CSR activities.
- **Company raises awareness internally on CSR:** From the total of 211 businesses, 65% of businesses do communicate the CSR activities or initiatives. A total of 37% does not communicate CSR. There's clear connection between a good communication of CSR and awareness. This will make it easy for companies to implement these activities through their employees and encourage good citizenship among the workers.
- **CSR forms part of the business strategy:** Results obtained shows that the approximately 62% of the participating owner-managers have incorporated CSR activities strategy. Only 37% of the participants are not planning to engage in CSR activities.
- **The company has future plans on CSR:** Based on the, it is evident that majority of companies have future plans to engage in CSR. Results shows that more than 65% of the respondents are prepared to implement CSR related activities.

In summary, a growing awareness and acceptance of CSR is a significant development for SMMEs. The extent to which future business leaders are aware of the importance of this issue will increase the likelihood of its acceptance in a corporate setting. (William, Werther, & Chandker, 2011, p. 80).

on this factor revealed an average score of 3.72 (SD = 0.67), indicating that most small business owners tended to agree that this factor has a significant effect on export propensity for SMMEs.

5.5 Conclusion on Drivers of CSR

In this section of the study we consider whether the main four drivers identified in the literature survey is validated by the survey of owner-managers in Middelburg. The survey is limited and will therefore be indicative at best. The results are reported in frequency distribution.

- **Company obligation on CSR from Clients:** Results obtained shows that the approximately 65% of the participating owner-managers have are obliged by their respective clients to incorporated CSR activities. Only 35% of the participants don't have obligations to engage on CSR. Which means any CSR project that they embarked on will be out of their voluntary will.
- **A company is exempted from CSR activities for BBBEE score:** Results obtained shows that 60% of the participating owner-managers are not exempted from engaging on CSR activities, and 40% are exempted. The results indicate that majority of the business owner-manager should engage in CSR activities in order achieve a good BBBEE score card.
- **Stakeholder have an influence in the company CSR initiatives:** The responses from the participating owner-managers indicated that 65% agree that stakeholders have an influence on company's regarding CSR. Results further indicated that the 35% of owner-managers indicated that the Stakeholders do not have an influence the way the company conduct their CSR activities.
- **Management is willing to change the company's culture to be more relevant to the community:** Results obtained shows that the approximately 67% of the participating owner-managers have a will to change the company culture to ensure that the culture embraces CSR. Only 32% of the participants are not intending to change the culture. The

results obtained show a good sign that business involvement in community education, employment is likely to happen within Middelburg.

5.6 Conclusions on Barriers of CSR

- **No perceived benefits:** The results illustrate that more than 65% of the owner-manager do not perceive the positive effect on business be either financial performance or sustainability of the business. Only 31% they recognize the perceived benefits in engaging with CSR. These results validate the notion that most SMMEs fail to adopt CSR because they don't perceive the benefits
- **Cost:** Results shows that 75% of the respondents agree that cost of engaging with CSR activities is limiting factor. Only 15% of the respondents disagree with the statement. The most common barrier associated with CSR is Cost. SMMEs do not have resources, therefore the results affirm that SMMEs in Middelburg also suffer from lack of resources.
- **Internal control and company culture:** The results indicate that 48% of the respondents agree that in most cases management does support CSR activities. Furthermore, the results show that 85% of business agrees with the statement. Only 15% disagree with the statement. This internal control is noted as risk by various scholars and can be regarded as a barrier to CSR implementation
- **Resource allocation:** The majority of the respondents indicated that they believe that engaging in CSR could destroy the company's cash flow. The results shows that 80% of the respondent agree with the statement, whilst the rest of 20% disagree. This is an indication that most SMMEs might not be in a position to implement CSR initiatives based on the resource allocation. The process appears to be technical and if management lacks such skills CSR in this particular organization might not be realized.
- **Lack of information:** Majority of the respondents which represents 82% of the owner-managers of small businesses indicated that they don't engage in CSR because of the lack of knowledge and skills to implement CSR. A total of 18% disagree with the statement
- **Lack of Knowledge:** The majority of the respondents indicated that they believe that engaging in CSR requires proper training and knowledge. The results shows that 77% of the respondent agree with the statement, whilst the rest of 23%

disagree. This is an indication that most SMMEs might not be in a position to implement CSR initiatives if skills and knowledge about CSR is not addressed.

- **Lack of Shareholder Awareness:** The data gathered for this study indicates that 80% of the owner-managers agree that if stakeholders are not aware about CSR this has a negative implication regarding CSR implementation. Only 20% of the respondents disagree with the statement.
- **Lack of top management commitment:** The results show that on average 80% of the respondents agree with the statement, only 20% disagree. This is an important barrier for the implementation of CSR. Another important barrier for the CSR implementation in Indian textile sector is the lack of top-level management support. This barrier is highly influenced by the lack of resources, because top-level management expects the government to provide funding and subsidies for the CSR activities practiced in their firm.

5.7 RECOMMENDATIONS

The empirical study has revealed that some of the SMMEs owners-managers in Middelburg display a positive attitude (65%) towards CSR awareness, the proportion of 35% is too high for comfort. Considering the that the relationship between business and civil society has evolved from paternalistic philanthropy to a re-examination of the roles, rights and responsibilities of business in society- and that CSR is now being seriously discussed and debated in the public spheres across the world (Dzansi, 2004, p. 345). Therefore, policymakers cannot afford to let SMMEs, such as the ones in Middelburg, to lag behind in valuing CSR.

However, the reported prevalence (65%) of CSR awareness among SMME owner-managers in the Middelburg should encourage local government, business, NGO's and civil society organization to seize the opportunity to develop a dedicated SMMEs CSR code.

Management attitudes'' is an example of a factor which influences CSR without always being defined as a ''driver'' or ''barrier''. In fact, CSR, as defined above, demands a favorable management attitude. A favorable attitude towards CSR may therefore be regarded as a mediating variable between drivers and barriers of CSR, and CSR performance. To ensure a clear distinction between ''drivers and barriers'' and ''attributes'' of CSR, we associate drivers and barriers with factors affecting CSR which are external to corporate decision-makers (Laudal, 2011)

The following should be considered to foster awareness and the implementation of CSR

- Policy makers are expected to increase awareness creation: During the survey, it became clear that although many of the owner-managers that they are familiar with the concept, they did so not really because they expected benefits. It shows that they engage in CSR because it's the right thing to do. Therefore, the CSR concept needs to be clarified to SMMEs owner –managers that it has to be part of their core business strategy for the them to get maximum benefits.
- A suggestion in this regard is that corporate social responsibility should become an integral part all business courses whether formal or informal.
- Governments at all levels especially at municipality levels need to drive the CSR campaign programs and assist business that are interested in CSR programs.
- One way to raise awareness and encourage the desired CSR behaviour throughout the company is to develop a code of conduct. The code of conduct will detail the expectations and the boundaries. By adopting the code, a company can clarify for all parties, internal and external standards that governs its conduct and thereby convey a commitment to responsible practice wherever it operates.
- Organizations like Middelburg Chamber of Busyness and Industries should conduct annual audits to companies to determine areas of improvements and progress in relation to CSR.
- Training and development of a company's CSR plan for implementation is vital to booster the awareness and communication of CSR. This will ensure that CSR visible and its sponsored by the company.
- Ensuring that SMMEs have the capability to perform CSR activities. (Overcoming of barriers). Local government should see to it that SMMEs have necessary capability to perform CSR activities. One should reduce the burden fixed costs related to CSR and increase increase transparency with regards social and environmental impact of the SMMEs operation in general.
- Support “first movers”. SMMEs that engage in SMMEs must publicly be acknowledged by the local government, NGOs and business society through media publications. This foster other to follow suit.

5.8 CRITICAL EVALUATION OF THE STUDY

This section evaluates the success of the study against the research objectives formulated in Section 1.6.

5.6.1 Primary objective re-visited

The primary objective of this study is to investigate the perceptions of ‘management attitudes’ of small, medium and micro-sized enterprises (SMMEs) regarding social corporate responsibility in rural areas in South Africa.

5.6.2 Secondary objectives

In order to achieve the primary objective, the following secondary objectives were formulated:

- To gain an understanding of corporate social responsibility by means of a literature study.
- To gain insights into the perceptions and attitudes of small, medium and micro-sized enterprises regarding social corporate responsibility by means of a literature study.
- To assess the drivers behind the implementation of social corporate responsibility in SMMEs by using empirical data.
- To further understand the underlying challenges or barriers facing SMMEs in implementing social corporate responsibility.
- To use the results of the empirical research to draw conclusions and make recommendations.

The main objective of the study was reached by answering the primary research question. The answer to the main research question in relation to the “perception and attitude on CSR by SMMEs owner-managers”, a survey was carried it out and included drivers and barriers in relation to CSR. The empirical evidence showed positive response. **Therefore, the conclusion was reached that SMMEs in Middelburg are aware of CSR and its elements. The drives and barriers in relation to the implementation of CSR activities were confirmed to be valid**

The proceeding objectives were reached through a means of literature review on Chapter 1 and 2. The CSR concept and its elements are

The last objective, **to draw conclusions from the empirical study and make practical recommendations on how to encourage CSR activities in SMMEs**, was achieved through the empirical research, which was discussed in Chapter 4 and concluded in Chapter 5

5.9 SUGGESTIONS FOR FURTHER RESEARCH

The scope of the study was limited to small and medium-sized businesses in the Middelburg Mpumalanga, South Africa, which is not a true reflection of the whole province or the country. There was a low response rate of 211 participants; a larger sample of above 350 may improve the findings. The findings cannot be generalized to other SMMEs, and therefore extra care should be taken when interpreting the results and consideration of conclusions and recommendations.

From this study it can be postulated that much work needs to be done to bring the level of CSR awareness and performance of SMMEs to a level that can make impact more on the socio-economic development of rural communities. The following recommendation are offered:

- Research into CSR to intensified in South Africa mainly within SMMEs environment.
- This may require the establishment of CSR research centres such as Trilogue to engage more with SMMEs.
- SMMEs owner-managers need to be further educated on CSSR and its relevance particularly in ensuring that it forms part of business strategy or policy.
- Research how can NGOs and Big business to offer training and development to SMMEs in relation CSR activities.

5.10 CONCLUSION

The chapter presented the conclusion from the empirical studies on the findings discovered in relation to CSR in SMMEs. The primary and secondary objectives of the study were achieved. The conclusion led to the formulation of recommendations for possible future research on this topic.

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7. Annexure A: Consent statement

Dear SMME Business Leader,

I am hereby invite you to participate in a research project to study the Corporate Social Responsibility of SMME's in Middelburg, Mpumalanga South Africa. The School of Business and Governance at the North-West University Potchefstroom Campus has approved this study. Accompanying this letter a questionnaire that asks a variety of questions about export potential of SMME's. I am asking you to look at the questionnaire and, if you choose to do so, please complete the online or by hand and email the responses to sbonga.zwanesi@gmail.com. The questionnaire should take you at most 10 minutes to complete.

Participation to this survey holds no risk for you. I hereby guaranteeing that your responses will not be identified with you personally and will thus be 100% confidential. If you choose to participate, please do not put your name on the completed questionnaire. Your participation is voluntary and there is no penalty if you do not participate. Regardless of whether you choose to participate, please let me know if you would like a summary of my findings. To receive a summary, please request the summary by e-mailing me at sbonga.zwanesi@gmail.com.

If you have any questions or concerns about completing the questionnaire or about participating in this study, you may contact me at 072738 1221. If you have any concerns about your rights as a participant in this study, you may also contact the Programme Manager Prof LA Rotriet at Ronnie.Lotriet@nwu.ac.za or by telephone (018) 299 1415.

Yours sincerely

Sibongakonke Zwane

Annexure B: The questionnaire

Please complete the following questionnaire concerning CSR in SMMEs in Middelburg

Make an X with your applicable answer in the block provided

Section A: Biographical Information

1. Gender	<input type="checkbox"/>	1. Male	<input type="checkbox"/>	2. Female
	<input type="checkbox"/>			

2. Age group	<input type="checkbox"/>	1. ≤ 24 years	<input type="checkbox"/>	2. 45 to ≤ 54 years
	<input type="checkbox"/>	3. 25 to ≤ 34 years	<input type="checkbox"/>	4. 55 to ≤ 64 years
	<input type="checkbox"/>	5. 35 to ≤ 44 years	<input type="checkbox"/>	6. ≥ 65 years

1. Race	<input type="checkbox"/>	1. African	<input type="checkbox"/>	2. Indians
	<input type="checkbox"/>	3. Whites	<input type="checkbox"/>	4. Asians
	<input type="checkbox"/>	5. Colored	<input type="checkbox"/>	6. Other

2. Leader Education Level	<input type="checkbox"/>	1. Matric	<input type="checkbox"/>	2. Honors degree
	<input type="checkbox"/>	3. Diploma/certificate	<input type="checkbox"/>	4. Masters/doctoral degree
	<input type="checkbox"/>	5. Bachelor's degree	<input type="checkbox"/>	

The Company:

3. Business Sector		1. Manufacturing		2. Mining
		3. Agriculture		4. Service Sector
		5. Media		6. Trade & Accommodation
		7. Electricity, Gas & Water		8. Other

4. Company Size by Staff numbers		1. ≤ 2		2. 100 to ≤ 150
		3. $2 \leq 25$		4. 150 to ≤ 200
		5. 25 to ≤ 50		
		6. 50 to ≤ 100		

5. Business Annual Turnover		1. $\leq R250\ 000$		2. $R750k \leq R1\ \text{million}$
		3. $R250k \leq R500k$		4. $R1\ \text{million} \leq R5\ \text{million}$
		5. $R500k \leq R750\ 000$		6. More than $R5\ \text{million}$

6. Indicate the number of years your business has been in operation		1. ≤ 1 year		2. >2 years
		3. >5 years		4. > 10 years
		5. >15 years		6. >20

Please answer the following questions the scale 1-4, where ‘Strongly Agree’ is equal to 5 and ‘Strongly Disagree’ is equal to 1.

	Disagree completely	Disagree to some extent	Agree to some extent	Agree completely
Example: Question	1	2	3	4

Section B: CSR Awareness in SMMEs

	1	2	3	4
Q9.1. The company familiar with CSR concept				
Q9.2. The company has policy on CSR				
Q9.3. Does the company consider CSR as relevant to the business				
Q9.4. In the past 2 years the company did some initiatives related to CSR				
Q9.5. The company has committed a percentage of the budget to the purpose of CSR work				
Q9.6 The company raises awareness within the company in relation to CSR issues				
Q9.7 CSR forms part of the business strategy				
Q9.8. The company has future plans about CSR				

C: Drivers

	1	2	3	4
Q10.1. Company has obligations on CSR from the client.				
Q10.2. Company is exempted from doing CSR initiatives for BBEEE score				
Q10.3. Stakeholders have an influence in the company CSR initiatives and budgets				
Q10.4. Management is willing to change the company culture to be more relevant to the community.				

Section D: Barriers

	1	2	3	4
Q11.1. The company has established relationships with suppliers and/or customers and the community (No perceived benefits).				
Q11.2 The company has no resources in place to carry our CSR initiatives. (Cost)				
Q11.3 Management does support CSR initiatives. (Internal control and Company culture)				
Q11.4. The business involvement in socially responsible activities threatens a company by diverting time and money away from its primary business purpose (Resource allocation).				
Q11.5. Information capability is important to the firm’s CSR performance propensity: (External control)				
Q11.6. The business is not proactive to search for information on opportunities in relation to CSR (Lack of knowledge).				
Q11.7. The business fails to acquire and disseminate information about customers and competitors (Lack of stakeholder Awareness)				
Q.11.8. The involvement of a company in improving its community’s quality of life will also improve long-run profitability (Lack of top management commitment).				