THE SIGNIFICANCE OF CORPORATE SOCIAL INVESTMENT WITHIN THE FIELD OF PUBLIC RELATIONS WITH SPECIFIC REFERENCE TO SELECTED KWAZULU NATAL CORPORATIONS

RENITHA RAMPERSAD

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Faculty of Communication and Educational Studies
Port Elizabeth Technikon

Promoter: Dr Brian Norris

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DECLARATION

“I Renitha Rampersad hereby declare that:

• The work in this dissertation is my own original work;

• All sources used or referred to have been documented and recognised;

• This dissertation has not been previously submitted in full or partial fulfillment of the requirements for an equivalent or higher qualification at any other recognised education institution.”

________________________                      November 2000
SUMMARY

This study is a qualitative investigation into the areas of corporate social investment and public relations. The study examines the significance of corporate social investment within the field of public relations with specific reference to selected KwaZulu Natal corporations.

The study looks at the corporate social investment and public relations departments of five corporations in the KwaZulu Natal region. The corporations that were interviewed were selected based on their location, and the number of years of experience in the field.

The five companies, namely, The South African Sugar Association, NBS Boland Bank, Hillside Aluminium (Alusa), McCarthy Retail and Richards Bay Minerals received immense coverage on their corporate social investment initiatives, in the Mail and Guardian’s April 1998 issue, ‘Investing in the future, special focus on social investment.’

The report presents an in-depth literature review, which examines the history of both corporate social investment and public relations. It thereafter examines the current practices of public relations and corporate social investment from a South African perspective. The prevalent approach to corporate social investment is also addressed. Apart from the study of the five corporations, the report also comments on other dedicated corporate social investment programmes.

The programmes of each of the five companies are contrasted with current and relevant documentation from the 1999 Business and Marketing Intelligence report. Graphs and tables complement this information.

The findings reveal that there is little public relations involvement in corporate social investment initiatives because corporate social investment practitioners do not see the
need for the involvement of public relations practitioners in all areas of their corporate social investment initiatives.

The results of the interviews gives the reader a broad perspective of corporate social investment and public relations within each company. The findings suggest that the role of public relations needs to be re-examined in the new millenium.
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CHAPTER ONE

1. RESEARCH DESIGN, DEFINITION OF CONCEPTS AND PROGRAMME OF STUDY

1.1 Introduction

The origins of modern corporate social investment (CSI), stem from the Industrial Revolution, which transformed the way communities were structured and thrust new responsibilities upon employers (Cannon, 1992, p.3).

At the beginning of 1970 nothing had been recorded about corporate involvement (a company’s philanthropic intentions) in South Africa. In 1972, Meyer Feldberg, a professor of business at the University of Cape Town, exhorted business leaders to learn from the model of their American counterparts to get involved in the communities in which they operated. His initiatives were just the first of a few milestones in South African corporate social investment in the 1970s. The next stage was the creation of the Anglo American and De Beers Chairman’s Fund in 1973, and, after that came the formation of the Urban Foundation in 1976 as a private sector initiative to address critical urban development issues in volatile townships nationwide. Even then, most corporate social investment programmes were generally ad hoc donations (money supporting the needy). There appeared to be no public demand for corporate social investment during the era of apartheid.

According to Alperson (1995, p.6), in 1977 the creation of the Sullivan Principles applying to American companies established a new vocabulary for corporate social investment in South Africa. The term more frequently used by the code’s signatory companies was corporate social responsibility. American companies operating in South Africa voluntarily complied with the Principles, but constant scrutiny by shareholders and anti-apartheid activists in the United States made the “voluntariness” almost disputable.
In the mid-1980s a growing number of companies began to form discreet corporate social investment programmes, which were seen to be general ad hoc donations. In 1994, a core number of companies active in corporate social investment, joined by an array of foundations and trusts, formed the Southern Africa Grantmakers’ Association (SAGA), to co-ordinate company efforts, in terms of the funding of projects.

However, most companies lacked wisdom in this initiative and they did not commit themselves to the corporate social investment programmes that involved disclosing their social spending budget or promoting employee involvement in corporate social investment. A few paragraphs in an annual report, with only a photograph or two, was often the only information that anyone outside the company would ever discover about their corporate social investment programmes.

In an address at the first Mercury/RBM National corporate social investment conference in 1997, Horst Kleinschmidt, Executive Director of Kagiso Trust said, “It is known that some of the largest business entities spend far in excess of R100 million per annum on corporate social investment. What eludes most corporates is any sense of commitment in their corporate social investment. Most of it is cheque-book project support” (Kleinschmidt, 1997, p.10). Kleinschmidt implied that where it existed, it was mostly of a patronizing kind.

L’Etang (1994, p.113) argues that corporate social investment and public relations are two separate actions, which should be evaluated independently.

The researcher is of the opinion that public relations and corporate social investment are not separate activities, which should be evaluated separately but are often interconnected, thus making corporate social investment a tool for public relations.

1.2 Main Problem
Corporate social investment has become important to public relations because such programmes offer the opportunity to build goodwill by promoting the benefits of the company to its stakeholders. In addition to its advisory management role, public relations also provides the techniques to communicate these activities to target publics which may include the media and individuals who are seen to be of influence to the organization.

The researcher further believes that corporate social investment should fall within the public relations portfolio because it affects a company’s image and reputation and provides capacity building and sustainability.

The statements above represent the main problem of this study.

WHAT IS THE SIGNIFICANCE OF CORPORATE SOCIAL INVESTMENT WITHIN THE FIELD OF PUBLIC RELATIONS?

1.3 Sub-problems

Three specific aspects of corporate social investment and public relations which represent the sub-problems of this study will be investigated in this research.

1.3.1 First sub-problem

The first sub-problem of this research is:

- Is corporate social investment seen as a tool for public relations in South Africa?

‘Public relations and corporate social investment are not separate activities which should be evaluated separately but that all too often the two activities are interconnected in such a way that corporate social investment becomes a tool for public relations’ (L’Etang, 1994, p. 110). It is therefore important to establish what the situation in South Africa is.
1.3.2 Second sub-problem

This leads to the second sub-problem of this research, namely:

- What is the impact of corporate social investment on the public relations environment in South Africa?

‘The main area of focus in the South African public relations field as regards legitimacy is corporate social investment’ (Mersham, 1993, p112). Corporate social investment falls within the public relations portfolio because it affects a company’s image and reputation and public relations practitioners will want to capitalise on the opportunity because it tells publics exactly what sort of company they are dealing with.

1.3.3 Third sub-problem

The third sub-problem of this research is therefore:

- What is the role of public relations in the implementation of corporate social investment programs?

‘Establishing the corporate policies that will serve ‘the common good’ in South Africa is the new brief of the public relations practitioner’. (Mersham, 1993, p.116). Public relations practitioners occupy a special place in the networks of decision-makers, they identify issues and counsel policy making. Public relations assists management to effectively use change elements to the company’s advantage.

1.3.4 Subsidiary problems

In addition to the above sub-problems a number of particular subsidiary problems dealing with specific areas of corporate social investment will also be investigated:

- Does the company have a department that is predominantly responsible for corporate social investment issues?
• What is the nature of the corporate social investment projects that the company institutes?

• How are corporate social investment programmes funded? Who is responsible for the decision making process?

• What are the opportunities/rewards of the company being perceived as a social investment company?

• Are staff informed of corporate social investment initiatives and is there staff participation in these programmes?

• How important is media coverage? Who is responsible for publishing information, and where is such information published?

• What have been some of the company’s major achievements?

• How does the company monitor the progress of its investments and who is responsible for this?

2. DELIMITATION OF THE STUDY

The objective of delimiting this study is to make the research topic manageable from a research point of view, therefore the study is limited to the following five KwaZulu Natal corporations.

These five companies have been selected due to their vast corporate social investment programmes.

• The South African Sugar Association
• NBS Boland Bank Limited
• Alusaf
• McCarthy Motor Holdings Limited
• Richards Bay Minerals
3. THE DEFINITION OF CONCEPTS

The following concepts have a direct bearing on the importance of this study.

3.1 Public Relations

“Public Relations is the management, through communication, of perceptions and strategic relationships between an organisation and its internal and external stakeholders” (PRISA, 1998, p.1).

3.2 Corporate Social Investment

An interaction between companies and communities where they form partnerships to develop communities as part of a company’s heartfelt responsibility towards a society (Nel, 1997, p.5).

3.3 Social Responsibility

Cantor (1994, p. 39) defines social responsibility as the “Recognition of the relationship between business and society, and the conscious planning of corporate actions taking this into account”.

3.4 Outsourcing

Where contracts are handed out (outsourced) to emerging entrepreneurs to assist in implementing programmes to create an emerging business. (Mersham, 1998, p.3).

3.5 Communication

The vital link providing information to communities that could entice consumer support.
3.6 Development

According to Mowlana (1987, p. 52) “The meaning and philosophy of development is inherent in the value system of any community and nation in which a variety of economic, political, social, and cultural activities are under examination”.

3.7 Interdependence

Organisations cannot isolate themselves from their environment. They have boundaries that separate them from their environment, but the boundaries are able to be penetrated and stakeholders and other organisations enter the organisation (Mersham, G.M., Rensburg, R.S., Skinner, J.C., 1995, p. 39).

3.8 Organisational Climate

The collective subjective perceptions held by an organisation’s employees concerning organisational policies, procedures, rules etc. (Baskin, Aronoff & Lattimore, 1997, p. 15).

3.9 Philanthropy

Recognition of corporate obligations and responsibilities to communities represented by monetary and other contributions to charitable organisations.

3.10 Evaluation

An examination of the effectiveness of a public relations effort.

3.11 Employee/Member relations

Responding to concerns and informing and motivating an organisation’s employee or members, its retirees and their families.
3.12 **Public**

A group of individuals tied together by a sense of common characteristics or responses.

3.13 **Strategic plans**

Long term plans usually made by top management, concerning a group’s major goals.

3.14 **Community relations**

Continuing, planned and active participation with and within a community to maintain and enhance its environment to the benefit of both the organisation and the community (Baskin, Aronoff & Lattimore, 1997, p. 15).

4. **THE ASSUMPTIONS**

Two key assumptions are made in this study.

In light of the literature study conducted, it is assumed that public relations and corporate social investment are seen to be separate activities, which are evaluated separately. In the South African industry most public relations and corporate social investment departments function separately, the reason for this is unknown and has prompted the researcher to focus on this problem and to observe the operation of the corporate social investment and public relations departments of five companies based in Kwazulu Natal.

Before 1990 the attitude of most major organisations involved in corporate social investment was to keep the extent of their spending and involvement a close and guarded secret, mostly because of the then political circumstances.
Due to the fact that future South African consumers will increasingly demand more information about companies and will consciously support companies they perceive as caring, it can therefore be assumed that in the new millenium, companies are likely to make known their contributions to society.

5. OBJECTIVE OF THE RESEARCH

By focusing on the corporate social investment aspect within public relations, the objective of this study is to highlight the importance of public relations and corporate social investment in the South African society where evolving political, social and economic circumstances have been accorded major responsibilities.

In the South African context, rapid social change has led to the questioning of the social purpose and social accountability dimensions of public relations (Skinner, 1994, p.5). Therefore, companies will be required to be socially acceptable, and to develop partnerships with communities and to further assist the South African Government to aid communities.

6. IMPORTANCE OF THE STUDY

The study is seen as highly important as it addresses the issue of the significance of corporate social investment within the field of public relations. At the heart of corporate social investment lies the key question of why companies get involved in this area. Although there are many answers to this question, they all center on similar outcomes: growing the economy, and improving the quality of life of all South Africans by implementing effective development while simultaneously enhancing the caring image of the company (Corporate Social Investment and Development Handbook, 1999, p. 13).

Phiyega (1999, p. 8) says “all too often people and organisations work in isolation, reinventing the wheel instead of working together. Sharing information is the key to success, and this is particularly important in the corporate social investment arena.”
The researcher agrees with the above statement and believes that there is a duplication of activities in many organisations, thus wasting time and money.

Corporate social investment and public relations are being viewed as management functions within industry at this point in time. However, many corporations do not practice the above and it is not clear whether public relations practitioners assist in the making of management decisions. The researcher is inclined to question whether the two areas work together or in isolation of each other.

Corporate social investment and public relations are increasingly important throughout the world and is practiced widely. The topic has received extensive coverage overseas in terms of publications and articles and information on the Internet. Although a considerable amount of research has been carried out on the topic of corporate social investment in South Africa, very little exists in terms of public relations and corporate social investment.

Mitias (1987, p.7) says “business can no longer be viewed as an independent or isolated entity, but virtually as interrelated and interactive with the rest of the social institutions, not merely because the content of business is the subject of the political process, but because this content is indispensable to the being and well being of the rest of the institutions which determine the life of the citizen.”

Welfare Minister Geraldine Fraser-Moleketi’s statement below agrees with what Mitias is saying above. She believes that the country needs heroes. “We need people who will take risks” (Fraser-Moleketi, 1999. p. 289). She does not believe the good life is possible unless people make a contribution to the quality of other people’s lives. Therefore, in an environment where the public is not only dependent on business for their well being, but where most of the people cannot rely on government, the idea of corporate social investment is an important reality.
7. **STRUCTURE OF THE REPORT**

The rest of the report is divided into four chapters. Each chapter is related to a part of the research process.

**Chapter Two** presents an in-depth literature review and a discussion on the historical development of public relations and corporate social investment. Aspects of both areas are discussed, with an emphasis on the relationship between the two. After looking at the history of public relations and the current practices in the field, the definition is addressed.

This is followed by a discussion on public relations being viewed as a management function and the future of public relations. A look is taken at the past and present and in particular the definition of corporate social investment. The approach to corporate social investment and how it is applied in South Africa is then examined. This encompasses examples of past and present corporate social investment programmes that are practiced in South Africa amongst some of the top companies.

**Chapter Three** describes the research framework.

The process and the strategies that exist for corporate social investment in South Africa are discussed. The specific research questions, the data collection methods and the sample selection process are presented in this chapter.

**Chapter Four** covers the qualitative data analysis and the presentation of results and discussion. The results of each company are discussed and reasons for the observed outcomes are examined and listed in detail and where appropriate, the results are related to the works of other authors and other corporate social investment programmes.
Chapter Five presents the findings related to the corporate social investment and public relations process. These findings integrate the results of the data collection methods. The conclusions are provided along with recommendations for further use at tertiary institutions (within academic programmes) and companies practicing corporate social investment programmes.
CHAPTER TWO

2. THE DEVELOPMENT OF PUBLIC RELATIONS AND CORPORATE SOCIAL INVESTMENT

2.1 Introduction

This chapter presents an in-depth literature review and discussion on the historical development of public relations and corporate social investment. Aspects of both areas will be discussed, with an emphasis on the relationship between the two. Current corporate social investment programmes will also be discussed.

2.2 What is Public Relations?

According to Newsom, Turk and Kruckerberg (1996, p.4) the public relations practitioner serves as an intermediary between the organisation that he or she represents and all of that organisation’s publics. Consequently, the public relations practitioner has responsibilities both to the institution and to its various publics. He or she distributes information that enables the institution’s publics to understand its policies.

Public relations involves research into all audiences: receiving information from them, advising management of their attitudes and responses, helping to set policies that demonstrate responsible attention to them and constantly evaluating the effectiveness of all public relations programmes. But, just as important, public relations involves responsibility and responsiveness in policy and information in the best interests of the organisation and its publics.

Newsom, Turk and Kruckerberg (1996, p.5) further describe the function and role of public relations practice by stating ten basic principles:
1. Public relations deals with reality, not false fronts. Conscientiously planned programmes that put public interest in the forefront are the basis of sound public relations policy.

2. Public relations is a service-oriented profession in which public interest, not personal reward, should be the primary consideration.

3. Since the public relations practitioner must go to the public to seek support for programmes and policies, public interest is the central criterion by which he or she should select these programmes and policies.

4. Because the public relations practitioner reaches many publics through mass media, which are the public channels of communication, the integrity of these channels must be preserved.

5. Public relations practitioners must be effective communicators in order to convey information to and from their publics until understanding is reached.

6. To expedite two-way communication and to be responsible communicators, public relations practitioners must use scientific public opinion research extensively.

7. To understand what their publics are saying and to reach them effectively, public relations practitioners must employ the social sciences - psychology, sociology, social psychology, public opinion and communications study.

8. The public relations field requires multidisciplinary applications and the public relations practitioner is required to adapt to the work of other related disciplines.

9. Public relations practitioners are obligated to explain problems to the public before these problems become crises.

10. A public relations practitioner should be measured by only one standard: ethical performance.

The researcher supports the above views of Newsom, Turk and Kruckerber (1996, p.5) and believes that the ten principles stated are a necessity for any public relations practitioner.
2.3 Public Relations: Its roots and how is it developing

According to Grunig and Hunt (1984, p.14) the term “public relations,” which is common in the vocabulary of many people today, was supposedly used for the first time in 1882, when Dorman Eaton, a lawyer, addressed the Yale Law School on “The Public Relations and Duties of the Legal Profession.” By public relations he meant looking out for the welfare of the public. “Public Relations” had not been used to describe the communication professional we know today, until Bernays coined the term “public relations counsel” in the 1920s. Before that time, the practice was known as “press agentry” (from the middle of the nineteenth century to the beginning of the twentieth century). Practitioners did not call themselves press agents, publicists, or public relations counselors until the mid-nineteenth and early twentieth centuries, but most public relations historians trace the origins of public relations-like roles to ancient times. Grunig and Hunt (1984, p.14) therefore view public relations as a twentieth-century phenomenon whose roots extend deep into history; in a sense it is as old as human communication itself. They believe that in succeeding civilizations, such as those of Babylonia, Greece, and Rome, people were persuaded to accept the authority of government and religion through techniques that are still used: interpersonal communication, speeches, art, literature, staged events, publicity, and other such devices. None of these endeavours was called public relations, of course, but their purpose and their effect were the same as those of similar activities today.

The following remarks of Osgood (1995, p.64) provide a few examples of the early practice of the art of public relations. “The art has many roots. For example, the practice of dispatching teams to prepare the way for a traveling dignitary or politician was not invented by Larry Truman or Richard Nixon. Their political ancestors in Babylonia, Greece, and Rome were quite adept at it. St. John the Baptist himself did superb advance work for Jesus of Nazareth. Publicity, community relations, speech writing, positioning, government relations, issues analysis, employee relations even investor relations: when you think about these activities in terms of the skill needed to practice them, it’s plain they have deep historical roots”. According to Wilcox, Ault & Agee
(1995, p.64) generating publicity for the Olympics in ancient Athens, for example, demanded the same skills as it did in 1948.

In the eleventh century, throughout the far-flung hierarchy of the Roman Catholic Church, Pope Urban II persuaded thousands of followers to serve God and gain forgiveness of their sins by engaging in the Holy Crusades against Muslims. Six centuries later, the church was among the first to use the word *propaganda*, with the establishment by Pope Gregory XV of the College of Propaganda to supervise foreign missions and train priests to propagate the faith. It is clear then, that the idea of using all forms of human communication, drama and storytelling among them, to influence the behavior of other people is nothing new. The booming economy after World War II produced rapid growth in all areas of public relations. Companies opened public relations departments or expanded existing ones. Government staff increased in size, as did those of non-profit organisations such as educational institutions and health and welfare agencies. Television emerged in the late 1940s as a new challenge for public relations expertise. New firms sprang up in cities, many discovering that they were required not only to sell their own services to potential clients but first to educate many managers on the value of public relations itself (Grunig & Hunt, 1984, p.15).

According to Grunig & Hunt (1984, p.16) by 1950 an estimated 17,000 men and 2,000 women were employed as practitioners in public relations and publicity globally. Typical of the public relations departments of large corporations was that of the Aluminium Company of America. Heading the operation was a vice president for public relations advertising, aided by an assistant public relations director and an advertising manager. Departments included community relations, product publicity, motion pictures and exhibits, employee publications, news bureau, and industrial economics (speechwriting and educational relations).

According to Newsom, Scott & Turk (1989, p. 48) the 1960s and early 1970s were years of great crisis and change for public relations. Public relations talent was called upon to deal with both the drama and the trauma. Modern practitioners needed a broad knowledge of the social sciences, as well as
communication and management skills. During the 1980s, public relations was greatly enhanced by further developments in computer technology. The response included the use of satellite transmissions. In addition, computer technology brought the micro-computer to the public relations office and with it an array of microcomputer techniques.

One such technique was that of the desktop publishing package, a sophisticated package which allows one to layout and design a document.

Historically, public relations has gone through three overlapping stages, manipulation, information, and mutual influence and understanding. Their development was sequential, but all three still exist. Public relations has generally moved from using any available means to achieve desired public opinion toward informing the public and providing information and counsel to management. Newsom, Scott & Turk (1989, p. 58)

The future of public relations can be better predicted and prepared for if trends in its history are identified and understood.

2.4 Current practices of public relations – A South African perspective

According to Skinner & Von Essen (1999, p. 23) public relations in the true sense of the word came into being in South Africa after World War 11. The first step toward the establishment of a public relations function was taken by the government in 1937, when an Information Bureau was founded with the purpose of spreading official information.

The first public relations practitioner in South Africa was appointed by the South African Railways in 1943, while the first public relations consultancy opened in Johannesburg in 1948. Shortly thereafter, several large concerns created internal public relations departments.

In South Africa, the role of public relations is shaped by the dynamics of a society in transition. According to Mersham (1993, p. 110) public relations is more about role, process, meaning and values than ever before. He suggests that public relations and democracy are not commonly linked concepts.
However, there are some fundamental links between public relations, communication and democracy. The researcher supports Mersham’s view, especially in terms of the following:

Firstly, public relations in its modern sense can only function within the fundamental rights of freedom of speech and freedom of the press. Everyone in a democratic society should have an equal right to be heard. This includes the right to communicate on behalf of a company, organisation or individual.

Secondly, public relations is indispensable in modern democracies with mass societies and mass communications.

Thirdly, public relations as it is defined today on the basis of an open communication process, can only exist in democratic societies.

Fourthly, public relations is linked to democracy because everyone has a right to articulate their version of the truth.

The above findings of Mersham (1993, p. 110) are of significance to this study, as it justifies the importance of public relations to the current South African situation.

2.5 Public Relations defined

What public relations problems are addressed depends on the definition of public relations and on the public relations activities of the organisation (Newson, Scott and Turk, 1989, p.6).

Figure 2.1 on page 19 defines public relations in terms of relationships. It shows that a relationship exists between an organisation and its publics, both internal and external.
The public relations problems an individual practitioner will address depends on his or her organisation’s definition of public relations and on its public relations activities. (Figure 2.1)

There are literally hundreds of definitions of public relations, probably because the role of public relations has evolved so rapidly in recent history. It is now increasingly becoming, and being understood as a management function (see section 2.6, p. 20).

Public relations activities differ among corporate, government, association, education and non-profit organisations. Figure 2.1 shows that a relationship exists between an organisation and its publics whenever one has a consequence for the other.
When consequences ensue, when one does something that affects the other, the organisation and the publics must communicate with each other. Management delegates this function to the public relations practitioner.

This person communicates with management for two reasons: to be able to explain management decisions to the public, and to explain public opinion to management. He or she also communicates with the public for two reasons: to be able to explain public opinion to management, and to explain management decisions to the public (Newson, Scott and Turk, 1989, p.6).

In the past, the definition adopted by the Public Relations Institute of Southern Africa (PRISA) emphasised concepts of mutuality and social obligation in the following words:

Public relations is a deliberate, planned and sustained effort to establish and maintain mutual understanding between the organisation and its various publics both internal and external (Skinner and Von Essen, 1995, p.4).

In 1998 PRISA changed its definition to describe a more managerial role:

Public relations is the management, through communication, of perceptions and strategic relationships between an organisation and its internal and external stakeholders (PRISA, 1998, p.1).

The above definitions emphasise the importance of two-way communication and the requirement to serve the public interest while counseling management.

2.6 Four public relations models in theory and practice

Grunig and Hunt (1984, p. 21) have chosen the term ‘models’ to describe four types of public relations that they believe have evolved through history, in order to emphasize that they are abstractions.
They have chosen to construct four models of public relations that will assist in the understanding of the history of formal public relations and how it is practiced today.

The last two columns in figure 2.2 of the four models provide estimates of where the four models are practiced today and will assist in the analysis of each company within the sample.

They will also demonstrate the nature of the communication that the public relations person manages between organisation and publics. Further discussion on the model will be presented in chapter four.

2.6.1 The four models in history

According to Grunig and Hunt (1984, p.25) the press agent/publicity model came first, in the period from 1850 to 1900, immediately following the historical examples that were described as public relations-like activities.

The public-information model came next, beginning about 1900 and continuing as the major model of public relations until the 1920s.

The two-way asymmetric model developed in the 1920s, and the two-way symmetric model came much later, in the 1960s and 1970s. Even today practitioners are only beginning to adopt it.
**FIGURE 2.2 - CHARACTERISTICS OF FOUR MODELS OF PUBLIC RELATIONS**

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Press Agentry/ Publicity</th>
<th>Public Information</th>
<th>Two-way Asymmetric</th>
<th>Two-Way Symmetric</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purpose</td>
<td>Propaganda</td>
<td>Dissemination of information</td>
<td>Scientific persuasion</td>
<td>Mutual understanding</td>
</tr>
<tr>
<td>Nature of Communication</td>
<td>One-way; complete truth not essential</td>
<td>One-way; truth important</td>
<td>Two-way; imbalanced effects</td>
<td>Two-way; balanced effects</td>
</tr>
<tr>
<td>Communication</td>
<td>Source→rec.</td>
<td>Source→rec.</td>
<td>Source→rec.</td>
<td>Group→group</td>
</tr>
<tr>
<td>Feedback</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nature of Research</td>
<td>Little; Counting house”</td>
<td>Little; readability, readership</td>
<td>Formative; evaluative of attitudes</td>
<td>Formative; evaluative of understanding</td>
</tr>
<tr>
<td>Leading Historical Figures</td>
<td>P.T Barnum</td>
<td>Ivy Lee</td>
<td>Edward L. Bernays</td>
<td>Bernays, educators, professional leaders</td>
</tr>
<tr>
<td>Where Practiced today</td>
<td>Sports, theatre, product promotion</td>
<td>Government; nonprofit associations, business</td>
<td>Competitive Business; agencies</td>
<td>Regulated business; agencies</td>
</tr>
<tr>
<td>Estimated Percentage of Organizations Practicing today</td>
<td>15%</td>
<td>50%</td>
<td>20%</td>
<td>15%</td>
</tr>
</tbody>
</table>

Adapted from Grunig and Hunt’s model (1984, P. 22)
2.7. Characteristics of four models of public relations

According to Grunig and Hunt (1984, p. 21) although public relations developed as a persuasive communication function, not all of these models use public relations for that purpose. (See figure 2.2, p. 22). Grunig and Hunt believe that public relations serves a propaganda function in the press agent/publicity model. Practitioners spread the faith of the organisation involved, often through incomplete, distorted, or half-true information.

For the public-information model, the purpose is the dissemination of information, not necessarily with a persuasive intent. The public relations person functions essentially as a journalist in residence, whose job it is to report information objectively about his organisation to the public.

Practitioners of two-way asymmetric public relations have a function more like that of the press agent/publicist, although their purpose can best be described as scientific persuasion. They use what is known from social science theory and research about attitudes and behaviour to persuade publics to accept the organisation’s point of view and to behave in a way that supports the organisation.

In the two-way symmetric model, practitioners serve as mediators between organisations and their publics. Their goal is mutual understanding between organisations and their publics.

The four models (figure 2.2, p. 22) also demonstrate the nature of the communication that the public relations person manages between organisation and publics.

For the first two models, communication is always one-way, from the organisation to publics. Practitioners of these two models generally view communication as telling, not listening. The first two models differ, however, in that the press agent/publicists do not always feel obligated to present a complete
picture of the organisation or product they represent, whereas public-information specialists do.

For the two-way asymmetric and two-way symmetric practitioners, communication flows both to and from publics. But there is a big difference in the nature of that two-way communication. The two-way asymmetric model is ‘asymmetric’ because the effects of public relations are imbalanced in favour of the organisation. The organisation does not change as a result of public relations; it attempts to change public attitudes and behaviour.

Two-way asymmetric practitioners carefully plan what they communicate to publics to achieve maximum change in attitude and behavior. Communication from publics comes as “feedback.” Many public relations practitioners today use feedback as a synonym for two-way communication (Grunig & Hunt, 1984, p.22).

2.8 Planning and managing public relations work

Public relations’ role in developing an organisation’s formal planning is significant. Public relations advisers help develop a mission statement for the organisation – counseling on publics and on strategies to reach objectives, as well as on environmental monitoring – as part of determining the organisation’s goals and objectives. In addition, the public relations department must develop its own communication goals and objectives.

Public relations managers have “vertical” jobs, in management terms, because they must function directly with all parts of the organisation and at all levels. Other tasks include:

- **Strategic planning**
  Strategic planning is used because traditional planning depends on a reasonably predictable environment.

- **Planning for the public relations function**
  The plan for the public relations unit or department begins with its own mission statement, describing how it sees itself, its role and its contributions
to the organisation. The mission of the public relations unit helps define the job description for the organisation.

- Problem solving strategies
  Any problem-solving plan should take into consideration intervening situations; how others will react and how the organisational culture affects the approach to problem solving.

2.9 Public relations as a management function

Lubbe & Puth (1994, p. 26) see the public relations officer or executive, in some organisations as a minor – perhaps reporting to the marketing director who deals with only the most rudimentary communications, such as arranging a factory tour or welcoming guests to the organisation’s premises. In such organisations they rarely participate in the management decision-making process. However, in other organisations public relations is given a more prominent role, with the public relations director more involved in management decision making and probably reporting to the managing director. The public relations manager initiates communications projects which may include reaching employees through newsletters and meetings, co-ordinating relationships with the media through writing news releases and arranging media interviews, orchestrating interaction with the community through open houses and tours, managing relations with the investment community, managing corporate advertising, co-ordinating special events and counselling management.

Figure 2.3 (page 26) describes the relationship between public relations problems and formalized communication programmes in organisations. A model of the Public Relations function in organisations follows:
Organisational theorists often look at organisations as “systems”. A system is an organised set of interacting parts or subsystems. Each subsystem affects the other subsystems as well as the entire organisation. Public relations personnel perform what organisational theorists call a “boundary” role. See figure 2.3 (Grunig and Hunt, 1984, p. 8).

The researcher believes that the public relations practitioner functions at the boundary of the organisation, serving as a liaison between the organisation and the external publics and individuals.

As boundary personnel, public relations practitioners support other organisational subsystems by helping them to communicate across the confines of the organisation to external publics and by helping them to communicate with other subsystems within the organisation.

Grunig and Hunt (1984, p.9) maintain that public relations generally is part of the management subsystem (as seen in figure 2.3), which sometimes supports other subsystems by helping promote products or services.
Public relations thus functions as part of the management subsystem by helping top management plan and evaluate the organisation’s total communication activities.

However, in South Africa, public relations is seen only to be practiced on a management level in a few companies. This idea is probably a growing perception amongst large corporations, who need to understand the importance of public relations in their day-to-day activities. The value of public relations is intrinsic and will be rewarding to the company in the long run.

2.10 The future of public relations

Public relations has now reached its Rubicon .... Because public relations, as a vocation, is saddled with disagreement as to its identity and confusion regarding its direction, it cannot step boldly into the new century without first re-evaluating what it is and where it is going (Bernays, 1992, 71).

Like any developing profession, public relations continues to change. While it changes, it continues to elude a firm definition. According to Newsom, Scott and Turk (1989, p.59), the formal definition in the Encyclopedia Britannica calls public relations “policies and activities designed to convey information about, and improve the public’s attitude toward, an individual, corporation, government agency, or other organisation”.

Dowling (1990, p.6) President and CEO of Burson-Marsteller, (the largest public relations consultancy in the world), agrees with Newsom, Scott & Turk (1989, p.59) and believes that “the public relations practitioner on top of his or her game in the year 2000 will have learned to work effectively in an entirely new environment”. Dowling further discusses two of many trends:

- **Major shifts in macroeconomic and political factors**
  The wealth of the world has shifted from the West to the Pacific Rim, especially to Japan, Taiwan, Singapore and Korea.
Trade issues will be complicated, but it will be even more necessary to compete globally to achieve the necessary economies of scale.

- **Internationalisation of issues**

  Environmental, health and safety issues are once again at the top of the public agenda. To deal with these new international dynamics, practitioners must think of multiple, interactive solutions.

These trends confirm that a critical area for the South African public relations function is that of environment scanning.

This can be seen as the key to becoming involved in strategic decision making and policy formulation, thereby obtaining the organisational power that has been denied for so long.

Steyn (1998, p. 2), lecturer within the Department of Marketing and Communication Management at the University of Pretoria, believes that public relations should become the organisational radar, taking in surroundings and helping to steer, rather than expecting to be piloted. Steyn further discusses how environmental scanning can be accomplished:

- Drawing up a stakeholder map to identify strategic stakeholders (interest groups);
- Scanning the macro, task and micro environment to identify issues;
- Identify the publics/activists which form around these issues, or the competitors/regulators involved (for example in a technological breakthrough/new law); and
- Acting as boundary scanner and early warning system to top management, informing them on what stakeholders/publics know, how they feel and how they may behave.

The researcher believes that the public relations practitioner by involving himself/herself in environmental scanning, can become part of the strategic planning process.
He/she may also be involved in the creating of the company’s vision, mission and corporate social investment goals. This could be envisioned as a strategic role for the public relations practitioner at top management level.

In due course public relations practitioners may be further responsible for proposing corporate social responsibility activities and identifying the relevant ‘publics’. In other words, public relations practitioners should be involved in formulating policies for the company and should be responsible for the corporate social investment portfolio.

The statements above bring one to the question of the ‘legitimacy’ or ‘place’ of public relations in South Africa.

To what extent is it, and in what way should it, be accountable to the South African society? (Mersham, Rensburg & Skinner, 1998, p. 77).

The main area where the above becomes focused in the South African public relations field is corporate social investment, which will be discussed in detail in this chapter.

The historical review of public relations reveals a profession that has undergone extensive change in terms of its activities and its importance in modern society. Public relations is a profession that operates in every sphere of life i.e.:

- Government – at international, national, regional and local levels;
- Business and industry;
- Community and social affairs;
- Educational institutions;
- Health care, both at government level and at hospitals;
- Non-profit organisations; and
- Environmental and tourism.

Because of its operation in the above spheres, public relations is set to grow and become a challenge to our South African situation.
2.11 CORPORATE SOCIAL INVESTMENT

2.11.1 Introduction

Harris (1995, p.1) states that “the privileged few have to help the underprivileged many, in this country at this time, it is not merely a political, economic or social necessity - it is a moral imperative”. He believes that every avenue of advancement for the masses must be espoused by industry and commerce, including comprehensive job training, improvements to worker’s conditions and welfare, and the provision of practical services to worker’s families. In addition, firms should be active in supplying subsidies to at least one area of essential social need, be it education, health or security.

The researcher agrees with Harris (1995, p.1) on the above statements, that the narrowing of the gap between the first world and the third world is primarily in the hands of commerce and industry. This is the time in which big business can help bring about the first world’s acceptance of the necessity for such a process while simultaneously offering the third world a level of advancement within its reach.

2.12 Historical Background

The issue of corporate social responsibility first came to the fore during the industrial revolution when new technologies created considerable wealth and power for corporations. Given the fact that during the 19th century positions within major companies were filled by friends and family of the owners, the feudal or family based systems of the past continued, which increased the power and wealth of a limited few groupings within society.

This increase in power to a limited few added impetus to the social responsibility debate (Alperson, 1995, p. 3).

He, (Alperson, 1995, p.4) believes that the advent of the managerial revolution during the 20th century, whereby professionalism, skills, qualifications, etc, became the norm for company appointments, instead of family ties. Companies realised for the first time that good relations means good business.
However, the issue of corporate responsibility being a moral obligation from the heart was still lacking. Still, this contribution to economic and social regeneration of communities was a valuable beginning.

According to Nel (1998, p.8), the field of corporate social investment has evolved considerably, and is still evolving. The old prescriptive attitude in corporate social investment spending programmes by companies, has since changed into partnership ventures with communities. In this, companies do not force programmes onto communities anymore, but establish partnerships with communities to ensure that real needs are addressed and community “approval” is obtained before entering into a programme in a community. Because of this change in emphasis, the researcher believes that it is important to discuss the section on community relations.

2.13 Community Relations

Peak (1997, p. 274) defines community relations as a public relations function. He sees it as an institution’s planned, active, and continuing participation with and within a community to maintain and enhance its environment to the benefit of both the institution and the community.

According to Baskin, Aronoff & Lattimore (1997, p. 270) the urban problems that were recognised as matters of public concern in the 1960s cast community relations in a new light and forced institutions to pay more attention to their relationships with surrounding communities. Throughout the last three decades, equal employment opportunity and training, employment of the disadvantaged, stimulation of minority business enterprises, elimination of substandard housing, and many other issues have caused companies and other organisations to become more involved in community activities.

Community relations has long been a business priority. Effective community relations depends on a recognition of the interdependence of institutions. Management helps establish social balance when it recognises the many ways organisations can have impact on their local communities and the extent of reciprocal dependence.
It is natural that organisations and their communities develop mutual interest in each other’s successful and effective operation. An organisation expects the community to provide adequate municipal services, fair taxation, good living conditions for employees, a good labour supply and a reasonable degree of support for the company and its products. In addition to employment, wages, and taxes, communities expect from their institutions attractive appearance, support of community institutionalism, economic stability and a focus for hometown pride.

Good community relations aids in securing what the organisation needs from the community and in providing what the community expects. Positive community relations can affect worker productivity when an organisation sponsors community health and education programmes.

### 2.14 Definition of Corporate Social Responsibility

According to Nel (1998, p.9), the field of corporate social investment has evolved out of a broader field, namely corporate social responsibility. (see figure 2.4, p. 34). He believes that corporate social responsibility can be defined as an area of management action evolving in response to the changes and demands of society at large, and involves business, government and communities in the following areas:

- Socio-economic, ethical and moral responsibilities of companies;
- Compliance with legal and voluntary requirements for business and professional practice;
- The company and its employees;
- The natural environment; and
- The challenges posed by the needs of the economically and socially disadvantaged.

According to Nel (1998, p.9) corporate social investment on the other hand, is defined as the funding of, and involvement in, socio-economic upliftment.
It excludes employee benefits and sport sponsorship and usually concentrates on the following areas of involvement:

- Education;
- Housing;
- Health;
- Welfare;
- Job Creation;
- Community development/empowerment;
- Small business development;
- Arts and culture;
- Environmental conservation; and
- Rural development.

If the two definitions are compared, it is clear that corporate social investment has evolved out of the broader corporate social responsibility field into a specialised management field.

Figure 2.4, p. 34 illustrates that corporate social investment has evolved out of the broader corporate social responsibility field into a specialised management field.
(The above research material was gathered from Corporate and Social Market Research report, 1997, Rivonia)
According to Nel, Corporate & social market research, (1997, p.2), corporate social investment is divided into two different areas of contribution namely internal and external (see figure 2.5).

Internal contribution is focused on the upliftment of employees and their families and/or communities in order to ensure a healthy human resource base from which a company draws employees.

External corporate social investment contributions focuses outside internal company programmes to the benefit of the community at large.

**FIGURE 2.5 - INTERNAL AND EXTERNAL CONTRIBUTION**

(Corporate and Social Market Research report, 1997, Rivonia)
The total corporate social investment budget for South African companies for 1997 was estimated as follows:

**TABLE 2.1 - TOTAL CORPORATE SOCIAL INVESTMENT BUDGET FOR 1997**

<table>
<thead>
<tr>
<th>Category</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>R Million</td>
</tr>
<tr>
<td>Education</td>
<td>958</td>
</tr>
<tr>
<td>Health and welfare</td>
<td>137</td>
</tr>
<tr>
<td>Job creation and small business development</td>
<td>131</td>
</tr>
<tr>
<td>Community development</td>
<td>129</td>
</tr>
<tr>
<td>Environment conservation</td>
<td>30</td>
</tr>
<tr>
<td>Arts and culture</td>
<td>29</td>
</tr>
<tr>
<td>Rural development</td>
<td>21</td>
</tr>
<tr>
<td>Housing</td>
<td>21</td>
</tr>
<tr>
<td>Other</td>
<td>44</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1500</strong></td>
</tr>
</tbody>
</table>

(Corporate and Social Market Research report, 1997, Rivonia)
2.15 The prevalent approach to corporate social investment

Although a “shotgun” approach (an easier way out) had been followed in the past when companies spent money “willy nilly” on whatever they felt like spending, spending today is much more focused. In the past criteria for spending was based on the attitude of assisting communities who asked.

This attitude has changed to one of partnerships with communities who are also consumers. A certain extent of disparity still exists as to what the approach in spending corporate social investment budgets should be.

Some organisations feel that corporate social investment monies should be spent without any publicity and/or return on investment while others hold the opposite view. Substantial arguments can be made for both approaches but, when international and national trends are observed, the direction in approach that companies should take becomes quite clear, reason being, that companies see the need to keep in line with emerging international and national trends. The concept of corporate social investment has become ever more closely related with public relations as the function has extended its strategic scope. Public relations became involved because of its representational role and responsibility for managing relationships.

Grunig (1992, p.240) believes that corporate social responsibility and excellent public relations ‘balance ... the private interests of the organisation with the interests of publics and of society’.

Steiner (1996,p. 86), however argues in favour of corporate social responsibility:

“This is solely a matter of defending the corporation but involves a deep interest in resolving major social problems, injecting more economic rationality into the political process, helping to assure that our socio-political system works in the interests of everyone, and preserving political and economic freedom”.

2.16 Corporate social investment and sponsorship in South Africa

This section examines the field of sponsorship as part of a company’s programme or corporate citizenship.
Sponsorship is understood to be a mutually beneficial commercial arrangement. The sponsor provides money (or goods or services) for an agreed return, which may, for instance, be the association of the business name and logo with an artistic event, or the provision of an opportunity for client entertainment.

Sponsorship is, therefore, understood to be a conscious endeavour by a business to further its own legitimate commercial ends while at the same time benefiting the arts.

Kay (1991, p. 92) continues to ask, “does this mean that the concept of social investment has been left out and that marketplace values have superseded it?” The answer is not clear cut. Most companies involved in sponsorship recognise that the activity can contribute to the quality of life within a community, whether on a local or national scale.

According to Kay (1991, p. 93) the growth in sponsorship seen since the early 1980s shows no sign of faltering. However, the demands being placed on business to sponsor are ever-increasing; almost all areas of public expenditure are expecting to see a rise in the ratio of public to other income, including sponsorship. Developments in the broadcast media have already opened up the sponsorship market and will increase in the 1990s.

Sponsorship is related to good citizenship. The need for companies to be seen to be worthy employers and responsible members of society can only increase with the demographic changes predicted. Sponsorship is one of the ways in which a company may further its legitimate business interests – which include the standing of the company within society.

According to the corporate social and development handbook (1999, p. 90), sponsorship involves a transaction that benefits both the sponsor and the sponsored. The sponsor agrees to promote something but expects some form of recognition for the investment, usually publicity.
A donation however, is slightly different, and is regarded as a form of patronage in terms of which money or property is given free with no expectation of a direct or indirect return.

The income Tax Act (Act 58 of 1962) defines a donation as ‘any gratuitous disposal of property, including any gratuitous waiver or renunciation of a right’.

As elsewhere in the world, sponsorship in South Africa is big business. Dickens (1999, p. 90) executive director of the Association of Marketers, estimates that some R3 billion – or half of the R6 billion national advertising cake – is spent on sponsorship in South Africa every year. Most of it goes to sport, although this area is dominated by a few wealthy sponsors; as a result, companies are finding arts sponsorship an increasingly attractive and cost-effective proposition.

Evidently sponsorship is being used as a marketing tool outside of the public relations and marketing budgets, and has infiltrated the social development activities of corporates in order to further promote the caring image of the company. As table 2.2 shows, almost half (47 per cent) of the corporate social investment departments of responding corporate grantmakers are involved in sponsorship activities, handling some or all of the sponsorship activities of the company.

Corporate grantmakers using their corporate social investment budgets for sponsorship were asked to specify which sectors they sponsored; the results are reflected in the the graph below. While sports development and arts and culture combined only receive 8 per cent of the corporate social investment budget, they are popular sectors for corporate sponsorship. Education and small business development remain at the top of the list, receiving sponsorship from 79 per cent and 41 per cent respectively of those corporate grantmakers involved in sponsorship.

Sports development has for some time been a popular sector for corporate sponsorship, however, the Tobacco Products Control Amendment Act,
(http://www.iclinic.co.za), approved by parliament in 1999 has banned tobacco advertising and publicised sponsorships. This banning puts a stop to many sponsored events, for example, the sponsorship of the Rothmans July, an annual event that has taken place for many years in Kwazulu Natal. Such banning now puts added pressure on the company to source other funding.

Table 2.2 CORPORATE SOCIAL INVOLVEMENT IN SPONSORSHIP

<table>
<thead>
<tr>
<th>Forms of Sponsorship</th>
<th>% respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsorship is handled entirely by a separate department</td>
<td>53</td>
</tr>
<tr>
<td>CSI handles all company sponsorship</td>
<td>27</td>
</tr>
<tr>
<td>CSI handles part of the company’s sponsorship programmes</td>
<td>20</td>
</tr>
</tbody>
</table>

Figure 2.6 CORPORATE SOCIAL INVESTMENT INVOLVEMENT IN SPONSORSHIP BY SECTOR

Corporate social investment and development handbook (1999, p. 90)
2.17 How corporate social investment is approached in South Africa

Leoka, (1985, p.71), defines corporate social investment in the South African context as the “conscience of the capitalist system”.

This quote sets the pace for future South African companies that will participate in corporate social investment initiatives.

There is no single formula or format to cover the operation of all the South African companies, in terms of their corporate social investment programmes.

Some companies fund autonomous foundations with their own board of directors, while others incorporate corporate social investment into public affairs, group communications, and sometimes their marketing departments.

In a few cases, the corporate social investment departments function semi-independently within the company, as one-or two-person operations answerable principally to the chief executive.

In the unusual situation of the Premier Group, corporate social investment is coordinated by the Human Resource Department, but most funding decisions are made by social investment councils made up of equal numbers of workers (mainly trade union members) and managers (Alpherson, 1995, p.14).

Smaller companies often have an entirely different corporate social investment situation: a lone person administering some corporate social investment, or no official corporate social investment programme at all. The reason being, that these companies don’t often have enough staff to assist.

Budgets are generally allocated from a percentage of pre-tax or after-tax profits, although some companies designate a percentage of dividends for CSI spending. Budgets for tertiary education support often come from separate accounts and are frequently administered separately as well. These are often described as cheque-writing procedures that do not need the expertise of a corporate social investment manager.

The University of Cape Town’s Vice Chancellor Mamphela Ramphele said, “the poor do not choose to be poor. Lack of jobs, education and access to funds and
limited opportunities all play a part. But just throwing money at the problem does not make it go away.” (Ramphele, 1998, p. 1). She also believes that in order to escape the poverty trap, people have to be empowered to take control, and that the state cannot do it alone.

Although the transformation of our economy is under way, the toughest part of that restructuring is still ahead.

As government finances feel the pinch, there is little in the way of spare money for development. Business too must play its part (Mail & Guardian reporter, 1998, p. 1).

The following are examples of companies that have been, and are practicing corporate social investment initiatives in our South African society.

The Weekend Post, (1991, p.5) reported that the Volkswagen Community Trust invested R2,24 million into more than 100 education, job creation, community and sport development projects.

But this was not the old type of “social responsibility money” spent by multi-national companies in the early 1980’s to justify their existence in the land of apartheid. Volkswagen employees from executive offices and assembly lines came together to raise the money and to decide how to spend it (Weekend Post, September 14, 1991).

A second example is that of the Denel group, who since 1992 has put R52-million into social responsibility projects. The 1998/1999 financial year had a budget of R13 million for Denel and its divisions. “The current budget has increased by 20% from R10 million to 13 million and there has also been a significant increase in the number of corporate social investment projects taken on over the six years,” says Matentji, General Manager, Public Relations at Denel (Matentji, 1998, pp. 17-20). Denel focuses its corporate social investment efforts on four areas: Education and training, job creation, health care, and micro and small business support and development.

The 1997 winner of the Investing in the Future Award (which is an award presented to the company that reaches beyond the company’s doors into the wider community, and whose projects are innovative and sustainable in the long
term), was granted to the South African Sugar Association (SASA) (Segal, 1997, p. 2).

SASA has a history of pioneering agricultural development and of financing it. Since 1973 the South African Sugar Association’s financial aid fund has provided financial assistance to small-scale sugar cane growers who cannot obtain credit through normal banking channels.

The fund has grown into South Africa’s largest private-sector program for the funding of agricultural development.

The fund has advanced over R190 million in loans. Annually it allows at least R40 million to R60 million to flow through its saving scheme.

A fourth example of those companies practising corporate social investment is that of the NBS Boland Bank.

With an annual budget of 1% of after-tax profits - R4- million the past financial year- the NBS has built its socio-economic transformation programme on four pillars. These being:

- The Centenary Foundation, to provide funding to improve education facilities for disadvantaged communities;
- The General Development Fund, to manage the flow of appeals for funding for development initiatives;
- The Socio-Economic Transformation Committee, to guide the development of the NBS and to ensure appropriate allocation of resources towards socio-economic transformation; and
- Staff Participation Campaign, to provide staff members with an opportunity to identify projects that deserve help and financial assistance.

The above is reflected in NBS Boland Bank in the Community, (1995, p.5)

A final example is that of Telkom. Telkom has committed R100 million towards promoting excellence in education and supporting social upliftment programmes over the next five years (Internet article, telkom news, 1999).
The monies will be used to fund the activities of the newly established Telkom Foundation. The Foundation will boost scientific and technical education in disadvantaged communities, and fund social development through health and welfare, arts and culture and job creation programmes. The Foundation’s primary aim is an improvement in the quality of teaching and learning in mathematics, science and technology at secondary and tertiary educational institutions, with the objective of enlarging the pool of students with qualifications in these scarce areas of expertise.

Telkom is seen to be a responsible corporate citizen and is committed to playing a major role in laying a foundation for the upliftment of previously disadvantaged communities.

In conjunction with the Reconstruction and Development Programme, many companies during 1995 were linking their corporate social investment to specific projects in skills training and job creation.

### 2.18 A future corporate social investment approach - The South African perspective

Before 1990, the attitude of most major organisations involved in corporate social investment was to keep the extent of their spending and involvement a close guarded secret, mostly because of the then political circumstances.

However, with the new political dispensation South Africa was freed from international isolation and could again compete freely on international markets. Nowadays it is important, as part of a company’s social responsibility, to make known what contributions it makes to society.

According to a report written by Fraser (2000, p. 6) ‘Firms spend almost R5bn on social acts’, social spending by the corporate sector in South Africa was running at between R4 billion and R5 billion.

The study, entitled ‘Corporate Social Investment in South Africa’, suggests that the business community has made important contributions to the historical transformation of this country.
It drew statistics from two separate studies undertaken last year by the Centre for Development and Enterprise, “one covering the large corporate sector and the other involving a representative sample of businesses of all sizes.” Respondents to the latter survey spent an average of R102100 while this average figure rose to R507000 for companies with a turnover above R10 million. The report noted that small and medium-sized companies tended to spend relatively less on sport and education than their larger counterparts, but relatively more on local welfare and benevolent agencies. Small and medium-sized companies would appear to be the backbone of local welfare initiatives.

The report cautiously estimated total corporate social spending at between R4 billion and R5 billion, sport sponsorship included.

It added that South Africa’s corporate social spending of 1.3 percent of after-tax profits “appears roughly on a par with that in the United States and Canada, and well ahead of corporate spending elsewhere in the world.

One of the main reasons for its development is the fact that consumers want to know who the caring companies are. Another reason flowing from this is the potential in consumer support for a caring company which, in return, could lead to increased corporate social investment spending. It is expected that in the future, South African consumers will increasingly demand more information about companies, and will consciously support companies they perceive to be caring. Communities also know that if they support companies that invest in their communities they will ultimately benefit.

Mersham (1992, pp. 54-55) draws attention to the aspect of social responsibility as a national development philosophy with a moral (normative/ethical) imperative in the South African context:

“Social investment calls for the acceptance of the idea that an organisation is socially accountable - that it can see more than just making a profit, and turn its actions and operations to the benefit of the community and to the wider society in which it functions...the concept of social responsibility includes an organisation’s relationship to the society in which it operates, and its involvement in the problems of national significance that face that society.”
The emerging leadership of disadvantaged communities, on the other hand, often see corporate social investment in quite the opposite terms.

They link it to the redress of the inequalities of the past. Nair (1987, p. 17) a spokesperson for the United Democratic Front (UDF), was more explicit concerning the political role of business: “They have a duty to support the struggle of the people and that means taking a stand against apartheid”. Leoka (1985, p. 74) supports this standpoint by arguing that “if we are to avoid economic and political unrest in the future, corporate South Africa needs to make social responsibility one of its primary objectives”.

Mersham, (1995, p. 89) agrees that it is no doubt true that government alone cannot meet the challenges of reconstruction and development.

On the other hand, big business is hesitant to erode what it sees as its main goal which is the generation of profits.

These arguments hold true for today as Sethi (1982, p. 32) defines political involvement as “participation in the formulation and execution of public policy.... It has been and must always be a necessary and important activity for any private interest group in our pluralistic society .... it is imperative that corporations increase their political involvement. They can thus ensure that public policy choices are influenced by the views of the private sector in general and by the corporate sector in particular”.

Rosholt (1977, pp. 9-10) stated that “The businessman can no longer stand completely aloof from politics. He cannot escape the effects of political decisions. And so he must make known his views on these political debates and decisions which will affect his business by personal contact and example he must attempt to get himself into a position where he can influence government decisions - or at least have his opinions considered”. Although Rosholt’s view is twelve years old, it is still relevant today, and the researcher agrees that businessmen need to get into a position where they will be able to influence government decisions.
2.19 Conclusion

The intentions of this chapter were to highlight and analyse the roles of public relations and corporate social investment. In doing so the researcher has identified the varied role and scope of the field of public relations and has suggested that corporate social investment should not be treated as an entity of its own, but rather as a division of public relations.
CHAPTER THREE

3. METHODOLOGY

3.1 Data collection

This chapter describes the research framework. The research conducted was qualitative and exploratory and the descriptive survey method was used as it is appropriate for data collection derived from simple observational situations.

Wickham, (1998, p.18) maintains that the aim of all interviews at any point of the continuum is to obtain valid and reliable data – trustworthy and authentic data – but the type of data obtained will be related to the type of interview conducted. In turn, the type of interview chosen by the researcher was related to several factors i.e. in-depth inquiry, natural settings etc, where social activities were in progress.

Leedy (1993, p.187) claims that data sometimes lie buried deep within the minds or within the attitudes, feelings, or reactions of men and women. As with oil beneath the sea, the first problem is to devise a tool to probe below the sea. A commonplace instrument for observing data beyond the physical reach of the observer is the questionnaire.

It is with the above in mind that the researcher chose in-depth interviews and a well structured questionnaire as the most suitable way to collect data.

Leedy (1993, p.250) notes that data in descriptive survey research are particularly susceptible to distortion through the introduction of bias into the research design. Particular attention should be given to safeguarding the data from the influence of bias.
He further maintains that although the descriptive survey method relies upon observation for the acquisition of the data, the data must be organised and presented systematically so that valid and accurate conclusions can be drawn from them.

One of the ways of reducing bias and ensuring a successful survey is the use of pilot testing.

3.1.1 Pilot Test

A questionnaire was constructed and a pilot test was conducted amongst:

- Two corporate social investment managers; and
- Two public relations managers.

3.1.2 Results of Pilot test

The results of the pilot test were as follows:

- A change in the flow of the questions
  This was necessitated by one respondent’s comment that the questions did not flow well. The researcher was advised to establish a “flow chart” and to then base the question on this;

- A change in the wording of certain questions
  Respondents felt that some questions were leading or negative; and

- A change in the number of exploratory questions
  Respondents felt that both yes and no answers to certain questions needed further exploration.

All of the above suggestions were included when the final questionnaire was drafted.
3.2 The Sample

The population of the study must be carefully chosen, clearly defined, and specifically delimited in order to set precise parameters for ensuring discreteness to the population. Leedy (1993, p.187).

Only corporate social investment co-ordinators and managers and public relations managers were selected, for the simple reason that they were the most suited and were the only people so closely involved with the respective areas. The researcher saw them to be experts in their field (see section 4.2, p. 66).

Phiyega (1999, p. 8) Senior Manager, Transnet Corporate Social Investment maintains, “Corporate social investment is about influencing the environment. The reason for corporate social investment is simple: good corporate citizenship adds value to a business. By supporting and improving the environment within which they operate, businesses support and improve themselves: by creating positive awareness, they create powerful strategic tools. Good corporate citizenship is an investment. However, due to the increasingly complex environment in which corporate social investment exists, practitioners have a tough job of work on their hands.”

The above proved true when the researcher chose the sample for this study as the five companies chosen have supported and improved the environment surrounding themselves and have proved to be ‘good corporate citizens.’

The sample was both purposive and a convenience sample. The researcher was firm in deciding upon the sample. A smaller sample aided in the study concentrating on a specific number of companies only. Convenience meant that each company had to be close to the Durban metropolitan area. The corporations that were interviewed were selected based on their location, and the number of years of experience in the field of corporate social investment. In this case the population group was defined as follows:
Five companies, namely, The South African Sugar Association, NBS Boland Bank, Hillside Aluminium (Alusaf), McCarthy Retail and Richards Bay Minerals, were chosen to be represented in the sample.

These five companies were selected due to immense coverage on their corporate social investment initiatives, which were featured in the Mail and Guardian’s April 1998 issue, ‘Investing in the future, special focus on social investment.’

A profile of each company is presented below.

3.2.1 The South African Sugar Association (SASA)

Located in Durban Club Place, Central Durban, SASA provides services to the South African Sugar Milling and Cane growing industries.

Mission Statement

SASA is committed to:
- Promoting the long term prosperity of the sugar industry and its community;
- Caring for customers and satisfying their needs by providing quality products and services; and
- Strengthening the partnership between millers and growers.

Value Statement

- SASA is an equal opportunity employer. They endeavour to treat their employees fairly and with dignity – respecting the individual and providing opportunities for personal growth and advancement in a climate of trust;
- They believe in participative management emphasising leadership and, through good communication, drawing on all available resources when assessing problems and proposing solutions; and
- The company is conscious of their social responsibility to their community and commits themselves to the protection and preservation of the environment.
The Financial Aid Fund (FAF) which was the winner of the Mail and Guardian Investing in the Future Award, this year celebrates its 25th year of operation.

According to Don MacLeod, Chairman of the Sugar Association, the success of small-scale sugar farmer development is highlighted by their delivery of 3.9 million tons of sugar cane valued at almost R500 million in the 1997/98 season.

Over its history, FAF has advanced R220 million in the form of 50 000 loans to small-scale farmers and this has provided the impetus for a huge upsurge in agricultural development in rural areas to the extent that today there are more than 45 000 small-scale growers operating throughout the industry.

SASA continues to be involved in development aligned programmes including the Sugar Industry Trust Fund for Education which supports education through its bursary schemes and school infrastructure development. During 1996 the Fund initiated a new development programme, facilitated by the National Business Initiative called the Education Quality Improvement Programme (EQUIP). A pilot programme in the Entumeni area was conducted in 19 schools. (SASA Annual Report, 1998, pp. 1, 40) The public relations department is housed within the public affairs department, but is run separately.

3.2.2 NBS Boland Bank

Located in Ordnance Road, Central Durban, NBS Boland Bank is a major player in the financial services industry in South Africa. Since its establishment in 1882, NBS has gained the reputation of being a people-driven and caring organisation. Their corporate social investment programme, whereby they invest money, resources and expertise in community development, is testimony to their commitment to uplift their society so that all its people may prosper.

Mission Statement
The company’s mission is to contribute measurably – within selected focus areas - to the socio-economic upliftment of the communities in which they operate.
They are committed to their clients as well as the wider community in which they operate.

The NBS Boland Bank corporate social investment strategy therefore attempts to address long-term social issues of direct relevance to the prosperity of the country and its people.

The NBS Boland Bank corporate social investment programme consists of:

NBS CENTENARY FOUNDATION

John Maxwell, Managing Director of NBS Boland Bank, acknowledges the NBS Boland Bank Centenary Foundation, he affirms that in its sixteen years of existence the foundation has invested millions of rands in building pre-school facilities in disadvantaged communities. Twenty-seven such facilities have been built to date, and teacher training and upgrading has been provided through NBS Boland Bank partnership with Educare service providers.

THE GENERAL DEVELOPMENT FUND

The fund focuses on community development priorities with a special emphasis on education partnerships and entrepreneurship development and skills training. The fund supports organisations whose goals are aligned to the NBS Boland Bank business objectives, in addition to charity and welfare organisations which provide vital social services.

The following are some categories of funding:

- Entrepreneurship development and skills training;
- Arts and culture;
- Health and welfare;
- Conservation and environment; and
- Education partnerships.
STAFF PARTICIPATION CAMPAIGN

Based on the belief that people want to help those less fortunate than themselves, the staff participation campaign complements and enriches the NBS Boland Bank caring corporate culture.

This enables staff to raise funds, visit and monitor projects, and generally extend a helping hand to projects ranging from animal welfare organisations, orphanages and children’s homes, to skills training and empowerment projects.

Their fundraising efforts are matched rand-for-rand by the Public Affairs division whereby any funds raised by the branch or division are effectively doubled.

3.2.3 Hillside Aluminium (Alusaf)

Situated in Richards Bay on the east coast of Zululand is South Africa’s sole producer of primary aluminium.

Mission Statement

The company strives, through partnerships with the community, business and non government organisation sectors, and local government structures, to ultimately facilitate economic empowerment for the vast population of the Zululand Region.

The company has a large number of projects which address the following areas in particular:

- Education;
- Entrepreneur development;
- Rural infrastructure;
- Health, with particular emphasis on AIDS; and
- Community capacity building.
In the late eighties political violence threatened Zululand’s stability. The chairman of Alusaf at that time, Rob Barbour, initiated an influential peace accord termed the Lower Umfolozi peace committee. However, political violence was not the issue affecting the Zululand community. Pressing social issues left unchecked, spelt disaster for their future economic survival.

After violent cyclones hit the Zululand coastline in 1982, Mike Dunn the then managing director of Richards Bay Minerals, resolved to focus on the broader socio-economic problems of the region. To address these specific issues the Zululand Chamber of Business Foundation (ZCBF) was officially launched in March 1994. The ZCBF was born out of industry with a mandate to invest in people and their communities.

Alusaf was one of the many companies on the Zululand coastline to be part of this initiative. The company outsourced its corporate social investment programme to the ZCBF and contributes money regularly towards projects.

Mission Statement of the Zululand Chamber of Business Foundation

To respond to the development needs of our greater community by facilitating partnerships and joint ventures. To build the capacity of the community to sustain themselves and to improve the quality of their lives.

The foundation believes firmly in accountability and continues to monitor and evaluate the progress on behalf of funders and beneficiaries.

3.2.4 McCarthy Retail

Situated in Durban, McCarthy Retail is the holding company for the Beare Group, Bonus Building Supplies, Clobea, Game Discount world, and McCarthy Motor Holdings.
Objectives

The company accepts the challenge to make a contribution towards building a vibrant South African Society. Apart from their role in the national economy and the contribution they make by providing 18 000 jobs, they are committed to helping address some of the critical social issues that affect the stability of our country.

One of the ways in which they maximise the impact of their contributions is by aligning their corporate social investment efforts closely with their business operations.

For the last decade the company has increasingly involved themselves in efforts that:

- Upgrade the quality of education;
- Make this country a safer place in which to live and trade;
- Foster an entrepreneurial spirit;
- Preserve the natural environment; and
- Support those in our communities who cannot fend for themselves.

Most of their energies are directed towards education and capacity building. They channel their support through organisations that have expertise and track records in development and welfare. The company’s corporate social investment partnerships include other corporations. They feel that it makes sense to team up with those who share their positive vision for the country. For example, the Rally to Read initiative saw the company teaming up with its manufacturer partners, the READ organisation, the South African Sugar Association and Shell, to deliver R100 000 worth of new books, in box libraries, to schools that are barely accessible by road.
3.2.5 Richard Bay Minerals (RBM)

Located in Richards Bay on the east coast of Zululand, the company was established in 1976 to extract and process the valuable minerals, ilmenite, zircon and rutile present in the coastal dunes north of Richards Bay. The company’s sales earn over R2 billion in foreign exchange every year, and as a result creates tens of thousands of jobs throughout South Africa.

Vision

The company’s vision is to be the world’s best mineral sand processor.

Objective

The objective of their corporate social investment programme is to support or initiate action that will meaningfully contribute to the improvement of the quality of life of neighbouring communities, particularly those who have been disadvantaged. RBM has recognised the need to work with neighbouring rural communities since the start of mining operations in 1976, and has invested millions of rands in an ongoing social investment programme in partnership with the local people.

The process began 23 years ago with a research survey to determine the needs of these communities. Based on this research, discussions were held with school principals in the area and Richards Bay Minerals gradually began to initiate joint education projects: building and equipping classrooms, introducing a bus service for schools, training teachers, funding the salaries of privately paid teachers until they were approved by the education authorities and generally improving the quality of education in the area. To date, Richards Bay Minerals has built 200 new classrooms and upgraded and equipped a further 100 in 47 schools with desks, books and teaching aids.

In recent years, Richards Bay Minerals has expanded its activities to include job creation and a number of initiatives to develop career-centred education. These include:
- Establishing a small business advice centre (SBAC) in 1986, now an accredited local business service centre, which has helped create 3,900 jobs in greater Richards Bay;
- Building and equipping Tisand Technical High School in Esikhawini at a cost of R8.2 million to meet the desperate need for technical education in the region;
- Promoting Entrepreneurship and developing a programme named EASE (Entrepreneurship and Self-Employment) available to schools, enabling teachers to equip pupils with skills to start their own businesses;
- Forging links between black and white businesses by matching the requirements of corporate buyers with the products and services of emerging entrepreneurs, and initiating a regional SMME forum involving all major industries in the area;
- Building a complex of factory units providing working premises from which self-employed mechanics, welders and other entrepreneurs successfully trade; and
- Empowering Richards Bay Minerals suppliers from disadvantaged groups to start business by helping them set up and guaranteeing work to establish themselves.

Keith Rumble, Managing Director of the company, sees their social investment programmes being multi-faceted, encompassing education, health care, agriculture, business development, capacity building, water and sanitation and a number of specialised initiatives, all of which are driven by the overriding objective of attaining self-sufficiency.

The company’s corporate social investment programme is based on four principles:

- Meaningful community involvement adopting a bottom-up approach;
- Partnerships rather than benevolence;
- Development at the pace dictated by the community; and
- Ownership/self-sufficiency.
Richards Bay Minerals has found over the years that adopting a high profile for corporate social investment projects is worthwhile for a number of reasons:

- It reinforces the improtance of these porjecls in the eyes of key stake- holders;
- It demonstrates the commitment that RBM management has to being a responsible corporate citizen;
- It further motivates involved communities; and
- Case studies of successful projects often serve as blue-prints for other companies wishing to initiate similar projects and RBM has always been willing to share experiences and expertise.

For these reasons RBM has actively generated coverage of its corporate social investment projects in a variety of internal and external media, entered into joint ventures with regional newspapers on several projects, advertised, exhibited at shows, and entered and won numerous awards.

3.3 Data Collection Procedure

Early in February 1999, letters were sent to the Managing Directors of the five companies explaining the study and requesting permission to carry out an interview with the corporate social investment manager and public relations manager. (refer to appendix A)

Soon after correspondence was received from these companies, telephone calls were personally made to each Co-ordinator/Manager and appointments were set up for interviews.

3.3.1 The Introductory letter

The introductory letter (refer to appendix A) is an important tool to inform the sample about the nature of the research. It was used to stimulate interest and to encourage the respondent to participate in the research. A letter from the researcher’s supervisor (refer to appendix B) accompanied the introductory letter to each respondent.
Participation was encouraged by:

- stressing the importance of the research to the South African Situation;
- including a copy of the letter from Dr Brian Norris (Supervisor) on a PE Technikon letterhead, along with the initial letter from the researcher to all respondents;
- offering executives who participated in the study a copy of the research findings; and
- communicating personally with each executive.

3.3.2 The Interviews and the Questionnaire

The researcher collected qualitative data using semi-structured field interviews with public relations and corporate social investment managers from corporations involved with corporate social investment. The questionnaire (see appendix D) was faxed to each respondent in advance of the interview; the aim was to arrange an in-depth personal interview that would use the questionnaire as a guideline. This also allowed the respondent to prepare for the interview. The questionnaire was well structured, and in most cases completed by the respondent prior to the interview. This made discussion during the interview a lot easier. “A good questionnaire forms an integrated whole” (Neuman 2000, p.251). With this in mind the researcher integrated questions together so that they flowed smoothly. The researcher ensured that the questions were structured in such a way, that it avoided ambiguity, confusion and vagueness. Double-barreled questions were avoided so as not to confuse the respondent. The key word in questionnaire construction is relevance (Bailey, 1987, p. 107). The questionnaire was structured with a number of relevant open-ended and closed-ended questions. The reason for this being that open-ended questions were extremely valuable at the exploratory stage of this research project and permitted the respondent with an unlimited number of possible answers. On the other hand closed-ended questions allowed the respondent to give a more structured and fixed response. Such questions also assisted the researcher to easily code and statistically analyse answers.
All interviews were done on site, at each corporation. This provided the subject with a comfortable and familiar physical environment.

Interviewing on site aided in securing the co-operation of the respondent during the interview. All interviews were done in a face-to-face format and were tape recorded on audio-tape. Permission for the use of the dicta-phone was sought prior to the start of each interview. Each audio tape was transcribed by the researcher and an analysis of these tape recordings provided the basis for this study.

There were no objections to the use of this instrument. The researcher also took notes during the interview.

The initial part of each interview was a few minutes of conversation between the researcher and the subject, to build a rapport and to put the respondent at ease. This conversation included an explanation of the researcher’s purpose, and an assurance of confidentiality.

The researcher was able to question and probe the subjects directly, with the goal of developing a clearer understanding of social investment than obtained by previous studies.

The purpose of each question asked during the interview is discussed below. Appendix E, provides a concise summary of each interview.

Questions one and two were asked to ascertain the company’s role in the business sector. The company’s core business and the objectives of each company.

Question three was posed to establish how the company ranks corporate social investment in relation to its other objectives. The general feelings of the company towards corporate social investment. Why is it that they contribute and what is it that they contribute?
Questions four and five were asked to determine whether corporate social investment is an initiative run on its own within the company, or whether it is the task of another department; to get a broad understanding of the nature of departments responsible for corporate social investment; and also to ascertain the decision-making capacity the heads of these departments have in relation to top management.

Questions six, eleven, twelve, thirteen and fourteen were structured to get a broad understanding of the type of programmes that each company invests in, how each programme is funded and who is responsible for the decision making process and policy formulation. Also to investigate an overview of the budget and how it was affected over the past two years.

Questions seven, eight, nine and ten were structured to specifically source information on the role of public relations within these companies and their corporate social investment programmes. To understand the thoughts of the respondents’ towards corporate social investment being linked to public relations. To also establish if corporate social investment programmes have a direct link to public relations policies.

Question fifteen was asked to determine how the public views the company in relation to their corporate social investment programmes.

Questions sixteen, seventeen and eighteen were posed to establish whether each company involves staff participation in their initiatives. Do they encourage staff to get involved and do they recognise staff involvement? Also, are staff trained in terms of corporate social investment and how are they informed of the company’s corporate spending?

Questions nineteen and twenty were structured to solicit information in terms of published matter. Who is responsible and where does the company publish information on their corporate social investment spending? What is the company’s direction in terms of media coverage?
Questions twenty one and twenty two were asked to determine what each company has accomplished/achieved with regards to corporate social investment and to establish how each company monitors its investments and who is responsible for such monitoring.

3.4 Problems encountered with the interviews

3.4.1 Difficulty in tracking down the right people: Senior managers needed to be interviewed, however such people were busy and would refer the researcher to other managers of authority.

These people would not assist very easily without consent from management.

3.4.2 Interviews being cancelled at the last moment: An interview with a public relations/communications specialist at Hillside Aluminium was cancelled at the last moment. This proved to be very problematic as the researcher was visiting Richards Bay at this time and could not return for a further interview.

3.4.3 Difficulty in reaching certain individuals: Many cell phone calls were made in order to track down an External Affairs Manager, who could not assist and referred the researcher to another person, who was not of much assistance either. This slowed down the researcher and hindered the study’s proceedings.

In order to overcome these problems further research was undertaken to source information.

3.5 Further notable details

3.5.1 The sample comprised only five companies whose corporate social investment initiatives have been welcomed by many needy communities. The reason for the choice of just five companies was that it was easier to work with a smaller more manageable sample. Also the reason for choosing these companies was because of their vast experience in the corporate social investment field.
3.5.2 The study was geographically confined to KwaZulu Natal. The reason being that it would be easier to visit each company personally.

3.5.3 Although corporate social investment and public relations in general were investigated, the study concentrated on the impact of corporate social investment on the public relations environment and the role played by public relations in the implementation of corporate social investment programmes.

3.5.4 This research was undertaken as an exploratory task and will provide a basis for further in-depth investigation.

3.6 Limitations

This study is meant to provide insights into only five companies and their corporate social investment programmes. Only corporate social investment coordinators and managers and public relations managers were interviewed. The study lacks staff insights into the corporate social investment. Community initiatives were not visited and interviewed, as they were mostly based in outlying areas. Profiling just five companies omits many others whose corporate social investment programmes are very interesting and of value.
CHAPTER FOUR

4.1 Results and Discussion

When reviewing the results it must be remembered that corporate social investment is growing rapidly in South Africa and in some cases can be a sensitive issue. However, some companies are willing to disclose information on corporate social investment policy, budgets, actual spending etc. Although such disclosure is limited, it indicates an awareness of a more positive public perception of companies that make an effort to be more truly transparent.

4.2 An analysis of the respondent companies

Appointments were set up with public relations managers and corporate social investment managers of five companies in KwaZulu Natal, who had dedicated corporate social investment programmes. These five companies were selected from the Mail & Guardians special focus on corporate social investment, ‘Investing in the future’ (March – April 1998).

The following table refers to the respondent companies that were interviewed. Refer to Table 4.1 on page 66.
<table>
<thead>
<tr>
<th>COMPANY</th>
<th>CSI MANAGER</th>
<th>PR MANAGER</th>
<th>COMPANY’S CORE BUSINESS</th>
<th>CSI DEP.</th>
<th>PR DEP.</th>
<th>OTHER</th>
<th>NUMBER OF STAFF</th>
</tr>
</thead>
<tbody>
<tr>
<td>NBS Company one</td>
<td>Gertrude Prigge Co-ordinator Corporate Social Investment Div.</td>
<td>Georgie Shields Manager Public Affairs</td>
<td>Home – Loans – Retail</td>
<td>In-house</td>
<td>Public Affairs</td>
<td>Five</td>
<td></td>
</tr>
<tr>
<td>SOUTH AFRICAN SUGAR ASSOCIATION Company two</td>
<td>JoyMills-Hackman Manager Community Development.</td>
<td>Kari Haesloop PublicRelations Officer</td>
<td>Service organisation And representation To cane growing Industry</td>
<td>In-house</td>
<td>Public Affairs</td>
<td>Three</td>
<td></td>
</tr>
<tr>
<td>McCarthy Retail Company three</td>
<td>Pam Richardson General Manager</td>
<td>Retail – focus on Vehicles</td>
<td>Outsourced Public Affairs</td>
<td>Two</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hillside Aluminium Company four</td>
<td>Jenny Rogers Manager Health &amp; Welfare Zululand Chamber of Business Foundation</td>
<td>Petronella Gorrie Communications Specialist Hillside Aluminium</td>
<td>Producer of primary aluminium Outsourced to Zululand Chamber of Business Foundation</td>
<td>In-house</td>
<td>Approx. Five</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Richards Bay Company five</td>
<td>Jabu Khubeka General Manager Public Affairs</td>
<td>Piet Marais Manager Public Relations</td>
<td>Mining of heavy Mineral Sands</td>
<td>In-house</td>
<td>Public &amp; Community Affairs Division</td>
<td>Eleven</td>
<td></td>
</tr>
</tbody>
</table>
4.3 Report on questionnaires

An analysis of each questionnaire was undertaken and the results are presented below:

4.3.1 Objectives of the corporate social investment programme

When respondents were asked what the objective of the corporate social investment programme was within their company, each respondent had a different point of view:

Company One

Their response was to contribute measurably within stated funding focus areas.

Company Two

Their response was that the company was connected to the overall industry strategy in the fact that there is involvement in development and that it is also connected to the core business. His ‘gut feeling’ was that the corporate social investment objective was really to look at empowerment.

Company Three

Saw the programme as a co-ordinated effort aimed at making corporate social investment effective.

Company Four

Answered that the continued success of their company was to a great extent dependent on their being able to operate within a stable, secure and economically sound environment.
Company Five

Agreed that it was to make a difference, to uplift the quality of life of disadvantaged citizens.

4.3.2 The nature of the corporate social investment department

Of the five companies interviewed, three companies, company one, two and five have dedicated corporate social investment departments which fall within their public affairs division. It is regarded as a department within a division.

Company Three

Outsources its public relations and the general manager sees to in-house aspects, i.e. corporate social investment and smaller public relations details.

Company Four

The company has outsourced the corporate social investment function to the Zululand Chamber of Business Foundation for the following reasons:

The management of the smelter recognises the benefit that their past and present involvement in a successful corporate social investment programme brings the need to maintain and further develop the initiatives in place. However, the day-to-day management of this function is labour intensive and time consuming, and the decision was therefore taken to outsource the corporate social investment programme.

This is also in line with world class trends of keeping to the core business of the company. The Zululand Chamber of Business Foundation has in the past been successfully involved in the administration and management of the programme.
The number of personnel working within these departments is outlined below:

- Company one - five personnel;
- Company two - three personnel;
- Company three - two personnel;
- Company four - five personnel; and
- Company five - eleven personnel.

The personnel mentioned on page 66 is a mixture of public relations and corporate social investment practitioners.

When reviewing the results of the number of personnel working in each department it must be remembered that each company interviewed varied in size, e.g. company three and company four employed the services of part-time employees, as well as outside public relations consultancies and companies to oversee their corporate social investment programmes.

It is a known fact that corporate social investment is set to grow and become more formalised within industry, therefore these figures will definitely expand and companies without such departments may be forced to incorporate them into the formal organisation of the company.

According to input from the corporate social investment and development handbook 1999, published by Business and Marketing Intelligence, the role of the corporate social investment practitioner is important to that particular company and should ensure that corporate social investment is taken seriously. This includes presenting the corporate social investment strategy to top management, recommending how corporate social investment should be structured, and wherever possible, linking corporate social investment to the various line functions.

Corporate social investment practitioners are also responsible for taking corporate social investment interventions beyond the realm of money, linking the caring corporate image to internal and external communications, undertaking
local and national community development, promoting corporate responsibility and good governance, and so on.

Practitioners can elevate their positions and ensure that both they and their activities are taken seriously at all levels of the company, and that they acquire real influence over company policy and strategy.

While this is very encouraging, the researcher is of the opinion that the public relations practitioner should be allowed to play a more detailed role in the corporate social investment programme of a company.

This is echoed in L’Etang’s statement that the concept of corporate social responsibility has become ever more closely associated with public relations as the function has extended its strategic scope. (L’Etang, 1996, p.86).

Grunig (1992, p.240) supports the view that corporate responsibility and excellent public relations ‘balance … the private interests of the organisation with the interests of publics and of society’ with an argument presented by Steiner in favour of corporate social responsibility.

“This is not solely a matter of defending the corporation but involves a deep interest in resolving major social problems, injecting more economic rationality into the political processes, helping to assure that our socio-political system works in the interests of everyone, and preserving political and economic freedom” (Steiner, 1983, p.29). This quote clearly illustrates the way in which an organisation may respond to social issues and also facilitate strategic interventions in public policy.

According to Mersham, (1993, p.114 ) public relations practitioners occupy a very special place in the networks of decision-makers as identifiers of issues and counsellors to policy makers.

They often have direct access to top management and are represented on key policy-making committees. By definition, public relations has an advisory role.
This counselling role includes identifying, presenting and obtaining consent to implement corporate social investment programmes.

*The researcher believes that if the public relations practitioner is equipped with all of the above there really is no need for a corporate social investment practitioner, as there exists a duplication of responsibilities. The same task can be overseen by the public relations practitioner.*

### 4.3.3 Who does the head of this department report to?

Of the five companies, company one and company five, report to the managing director of the company, while company three reports to the human resource director, company two reports to the head of the public affairs division and company four reports to the board of directors of the company.

### 4.3.4 Which department deals with corporate social investment issues?

Company four was the only respondent that answered this question and this in particular was because the company outsourced its corporate social investment programmes.

### 4.3.5 Corporate social investment programmes instituted by each company.

Respondents were shown a list of nine programmes and asked to tick which programme their company’s focussed on. Table 4.2 on p.72 reflects their responses.
TABLE 4.2 - FOCUSSING PROGRAMMES OF INTERVIEWED COMPANIES

<table>
<thead>
<tr>
<th>Programmes</th>
<th>Co. 1</th>
<th>Co.2</th>
<th>Co.3</th>
<th>Co.4</th>
<th>Co.5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welfare and Development</td>
<td>×</td>
<td></td>
<td>×</td>
<td>×</td>
<td>×</td>
</tr>
<tr>
<td>Arts and Culture</td>
<td>×</td>
<td>×</td>
<td>×</td>
<td>×</td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>×</td>
<td>×</td>
<td>×</td>
<td>×</td>
<td>×</td>
</tr>
<tr>
<td>Health Care</td>
<td>×</td>
<td></td>
<td>×</td>
<td>×</td>
<td></td>
</tr>
<tr>
<td>Sport Development</td>
<td>×</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Development</td>
<td></td>
<td></td>
<td>×</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conservation &amp; Environmental</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td>×</td>
<td></td>
<td>×</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Creation</td>
<td>×</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurship Development</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&amp; skills training</td>
<td>×</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>Rural</td>
<td>Rural</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training</td>
<td>Development</td>
<td>Training</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Of all the programmes listed, education, arts and culture and welfare and development were by far the areas most mentioned by each respondent and are clearly the primary areas of support amongst each company. The responding companies also made mention of other programmes that they were involved with e.g. rural development and rural training.

When comparing these five companies to corporate grantmakers (other large corporations within industry) it is noted that according to the Business Marketing Intelligence report on education, (1999, p.132) a feature of the support for education is that corporate grantmakers tend to allocate substantial proportions of their corporate social investment budgets to education, whereas allocation to sectors such as arts and culture and welfare tend to be fairly small.

The graph in figure 4.6 outlines corporate social investment in various development sectors in both nominal and percentage terms.
It shows that education far outstrips all the other sectors in attracting corporate support; no less than 49 per cent of total corporate social investment is allocated to this sector, amounting to R800 million of the total R1 630 million for 1998. This research shows that a marked 97 per cent of responding corporate grantmakers contribute to this sector.

**FIGURE 4.6 – Corporate social investment by sector, 1998**

Corporate social Development Handbook (1999, p. 206)

### 4.3.6 The role of public relations in the implementation of corporate social investment programmes.

Company One

Sees public relations playing a major role in terms of the identification, establishment and maintenance of relationships, ongoing monitoring of projects and evaluation and feedback.
Company Two

Sees public relations playing a major role in communicating with their communities.

Company Three

Outsources its public relations in terms of writing for the company. Internal public relations is handled by the general manager. In this case, public relations does not play a major role in the implementation of corporate social investment programmes.

Company Four

Sees their public relations department being focussed internally, in other words, reporting through in-house journals and annual reports etc, also reporting to the media.

Company Five

Sees public relations playing a major role in publicizing activities and in terms of crisis situations. Public relations will play a major role here in dealing with the media.

4.3.7 Is corporate social investment seen as a tool for public relations in South Africa?

The majority of the respondents (four companies) answered this question in a negative manner. They explained that public relations was seen as a bonus, and that it was more aligned to company image and public surveys.

They also felt that it was the company’s responsibility to let the public know what they were doing and this was the task of the public relations division.
Only one respondent, company four, replied positively to the question. However she was of the view that, the country is moving towards taking part in serious social investment. This was not seen as a flag waving initiative.

Many companies see public relations as a flag waving experience but not as a decision making entity within the organisation, thus not making public relations a management function.

4.3.8 Are the corporate social investment programmes related to other public relations policies?

Of the five companies, company four declined to answer and company one and company five indicated that their corporate social investment programmes were related to public relations policies. Their reasoning being that as with other areas within the company, the corporate social investment department works closely with the public relations and marketing division to ensure that the company is meeting its own needs as well as that of its external stakeholders. Company two and company three indicated that their corporate social investment programmes were not related to public relations policies. Their reasoning was that the basic function of public relations within their company was merely used as a marketing tool. i.e. to show the company in a good light.

4.3.9 Thoughts on the impact of corporate social investment on the public relations environment in South Africa.

When asked what their thoughts were on the impact of corporate social investment on the public relations environment, four of the five respondents were positive.

Company One
Believed that it was extremely important for the business image, especially in terms of the upliftment of communities.

Company Two

Respondents feelings were that internal public relations was a big benefit in terms of keeping staff informed of what was happening.

Company Three

The respondent was firm in his belief that public relations debases corporate social investment. He felt that public relations destroyed the sincerity of projects.

Company Four

The respondent stated that public relations has an impact on corporate social investment in South Africa. More and more people/companies are turning away from seeing these efforts as a way of making the company’s name and image known.

Company Five

The notion was that corporate social investment is currently adding another dimension to public relations, but ultimately the company believed that corporate social investment will become an area/division in its own right. Handled sensitively corporate social investment can enhance the public image of a company and public relations can certainly use this to its advantage.

4.3.10 Funding of corporate social investment programmes
Of the five companies interviewed company four declined to answer, the other four responded positively. The table below shows their responses. Four of the companies funded projects by means of donations.

**TABLE 4.3 – Funding of corporate social investment programmes**

<table>
<thead>
<tr>
<th>Company</th>
<th>Cash</th>
<th>Donations</th>
<th>Sponsorships</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>X</td>
<td></td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>X</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

**4.3.11 Involvement in the decision making process in terms of funding.**

Respondents were asked who was involved in the decision making process in terms of funding. Responses are detailed below:

- **Company One**
  
  Public Affairs Manager and board of trustees. The public relations practitioner performs the filtering of projects;

- **Company Two**
  
  The public affairs committee and growers and millers; and

- **Company Three**
  
  The Chief Executive Officer and corporate social investment forum. This forum is made up of representatives from each division within the company and representatives from different cultural groups;

- **Company Four**
The Zululand Chamber of Business Foundation’s representatives and management of the two smelters.

- Company Five

The General Manager public affairs, public relations team and communities. In each team there are specialists and each conducts meetings with the different constituencies. The public relations team, conveys its report to the general manager of the public affairs division after a strategic planning exercise is held. The general manager takes decisions to the managing director. His decision is based on what comes from the grass roots;

The results indicate the large role played by the public affairs division and the chief executive officer in the decision making process. It is encouraging to see that one company utilizes its public relations division in their decision making process. This is promising because one of the most important factors leading to success in a corporate social investment programme is certainly the visible support from everybody involved in the process. It is apparent from the above that decision making is not taken lightly and that even people at grass roots are consulted to give input. However, the researcher questions the lack of decision making input from the public relations practitioner in the other four companies.

4.3.12 Changes in the budget

Respondents were asked how the budget for corporate social investment had changed over the past two years. The results are presented in the table 4.4.

**TABLE 4.4 - CHANGES IN BUDGET – 1997 – 1998**
### Changes in Budget

<table>
<thead>
<tr>
<th>Changes in Budget</th>
<th>No of Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slight increase</td>
<td>-</td>
</tr>
<tr>
<td>Drastic increase</td>
<td>1</td>
</tr>
<tr>
<td>No change</td>
<td>1</td>
</tr>
<tr>
<td>Slight decrease</td>
<td>-</td>
</tr>
<tr>
<td>Drastic decrease</td>
<td>2</td>
</tr>
<tr>
<td>Other</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5</strong></td>
</tr>
</tbody>
</table>

The table on page 77 indicates two companies, company two and company three, who experienced a drastic decrease in their budgets.

Company one claimed that the company had seen a R180 million loss last year.

Company three experienced a drastic increase.

Company four saw no change.

Company five referred to its budget as continuously changing. The reasoning for this was that the company had been involved in the corporate social investment sector for almost 22 years and that it did not matter if there were any changes. Some of their projects are self sustained and as a result affect the company’s budget positively.

Although figures were not received from the company’s interviewed, each respondent company appeared clear on their change in budget. However, there seems to be a clear distinction between the five companies interviewed and major corporate donors. According to the Business Marketing Intelligence ‘benchmarking your corporate social investment programme,’ (1999, p. 83), ninety six per cent of responding corporate grantmakers provided the size of their corporate social investment budget, either giving a rand figure or specifying a category into which their budgets fell. The top 100 corporate social
investment budgets accounted for R891 million in 1998. BMI believes this accounts for 80 per cent of the major corporate donors.

This implies that major corporates are contributing R1 114 million to corporate social investment. The BMI further estimated that the total corporate social investment contribution for 1998 would be at about R1 630 million. This represented a 5 per cent increase over the 1997 budget of R1 544 million.

The size of the top hundred corporate social investment budgets are reflected in Figure 4.7 on page 81.
4.3.13 Formulation of corporate social investment policies within the company

Respondents were questioned about who was involved in the formulation of corporate social investment policies. Each respondent replied positively to the question asked. Responses are detailed below:

Company One

The task of the formulation of this policy lies with the public affairs division.

Company Two

The company has a defined corporate social investment policy that does not change very often. In the event of it changing, the Public Affairs department will be responsible.

Company Three

The forum is responsible for the formulation of the corporate social investment policy.
Company Four

The company that outsources corporate social investment is responsible for formulating the policy.

Company Five

Stated that corporate social investment formed part of the company’s business plan. Public relations and the entire team were responsible for formulating such policies.

4.3.14 Opportunities/rewards of being perceived as a social investment company

Respondents were asked to discuss the opportunities/rewards of being perceived as a social investment company.

Company One

Explained that it was important to be perceived as a responsible, caring corporation to the business fraternity and the business environment.

Company Two

The company saw an increasing awareness in society in terms of corporate social investment. The interviewee placed emphasis on the fact that there was a wide range of issues from the company’s point of view that people were entitled to know about regarding corporate social investment.

Company Three

Saw themselves employing a better calibre of people that assisted the company in making a positive contribution to the business environment. The interviewee also placed an emphasis on employee loyalty.
Company Four

Their perception was to be seen as a role model to their employees and the business environment. This posed a great challenge, wherein the company would have to live with the reputation.

Company Five

The company had a positive view point on this topic and saw themselves building a reputation of being the leading, caring company that would identify with the real needs of the communities.

4.3.15 Informing staff of company involvement in initiatives

There appeared to be a systematic means to ensure that employees were informed about initiatives that each company was involved with. Methods included:

Company One
- In-house magazines and staff projects;
- Internet sites; and
- Conventions.

Company Two
- Through company newsletter only

Company Three
- Through company newsletter; and
- CSI page on internet.

Company Four
- In-house publications; and
- Video presentations.
Company Five

- Heads meeting every week;
- Company briefing system;
- Presentations to staff;
- Unions to advise of corporate social investment initiatives; and
- Brochures.

4.3.16 Staff participation in corporate social investment activities

Company One

Of the five companies interviewed, it was clear that only company one had a dedicated staff participation programme for its staff. It is based on the belief that people want to help those less fortunate than themselves. The staff participation campaign allows staff to raise funds, visit and monitor projects and generally to extend a helping hand to projects ranging from animal welfare, orphanages, children’s homes, to skills training and empowerment projects. Staff committees within the different divisions and branches of the company evaluate proposals and champion fund-raising drives for worthy projects. Projects that are selected by the branches/divisions are presented to the public affairs division for rand-for-rand matching. Staff are rewarded for their commitment to the projects and once a year an overall champion is chosen to attend an overseas convention. (NBS Boland Bank, 1999, p. 9)

Company Two

Although no proper programme exists for staff participation, the company has considered such an idea on certain levels. However, staff do participate in little events and special days.
Company Three

This company has no staff participation programme, however, management gets involved in large initiatives. i.e. the Rally to Read Campaign.

Company Four

No formal process exists within this company.

Company Five

Staff who have time available participate in projects at the ZCBF, in other words, The Science Project, etc.

4.3.17 Evidence of in-house training for staff

No formal in-house training programmes for staff was available, for companies one, two, three and four. However, company five responded that although no formal process existed, information to staff could be found in the company guidelines and department brochures.

4.3.18 Published information on corporate social investment spending.

Of the five companies interviewed, companies one, two, four and five responded that they published information on their corporate social investment programmes. Company three answered no to this question.

Those that did publish such information had the following reasons for their actions:

Company One
Responded that information was made available annually from the public affairs division, to staff, stakeholders, the business environment and government departments.

Company Two

Responded that they did publish information, for industry to quantify the companies involvement in corporate social investment initiatives. The company produces several publications throughout the year which are used as important and powerful communication tools to convey a cross-section of messages to diverse target audiences, for example, government, business leaders, media and the private sector.

Company Three

This company does not publish information on corporate social investment spending.

Company Four

The company did publish information on their corporate social investment spending in the company's annual report.

Company Five

Responded that they published information in their company magazines, supplements and there also existed a media partnership for their programmes.

Although companies two and five published information in-house, their public relations was outsourced and thus saw consultancies responsible for the publishing of such information.
Annual reports and internal magazines, continued to be the most frequently used publishing medium adopted to generate exposure amongst shareholders, employees and industry in general. As indicated by the respondent from company four earlier in this chapter, (see section 4.3.7, p. 74) corporate social investment is not seen as a ‘flag waving’ initiative. The companies interviewed did not want to be seen to be marketing their programmes. However, other companies (those in industry, not interviewed) see a different perspective when it comes to marketing their corporate social investment initiatives. The researcher took a keen interest in the Business Marketing Intelligence (1999) study which researched the corporate social investment programmes of a number of nationally based companies, in comparison to this study.

According to the Business Marketing Intelligence (1999, p. 95) marketing of corporate social investment programmes has become increasingly important over the past few years, as companies actively seek to portray themselves as caring companies. This is an area that the five companies interviewed, would not agree with. Their belief is strongly to keep a low profile. The most frequently used marketing media are those which are locally based, such as meetings with beneficiaries, logos on materials, and local print media. The electronic media are mostly used for well-funded national projects.

However, as the graph in figure 4.8 shows, three quarters of the responding corporate grantmakers, marketing their corporate social investment activities is at least of ‘average’ importance, if not ‘very’, or ‘extremely’ important. This is in line with the trend towards increased marketing and public exposure that companies seek from their corporate social investment activities, as well as pressures on departments to contribute to the bottom line by creating a favourable image in the marketplace.
FIGURE 4.8 - EXPOSURE OF CORPORATE SOCIAL INVESTMENT ACTIVITIES

Corporate social investment and development handbook, 1999, p. 91)
Corporate grantmakers were asked to specify which marketing methods they used to gain exposure for their corporate social investment activities. Marketing methods that are least used include electronic media such as television and radio.

The methods that are most used include annual reports and internal magazines. The above research coincides with the report from those companies that were interviewed.

4.3.19 Importance of media coverage to the programme

Respondents were asked what their views were on the importance of media coverage on their programmes. Each response is detailed below.
Company One

Was of the opinion that media coverage was more significant now than was previously thought. The respondent was of the view that keeping a low profile often perpetuated the belief that one’s company is doing nothing, so one has to get the credit where it is due – as long as its really due.

Company Two

Believed that media coverage was very important to the programme.

Company Three

Was of the view that media coverage is important and of value for projects to operate.

Company Four

Was of the opinion that media coverage has become increasingly more important. The respondent was also of the view that companies want to ‘trumpet’ what they do. Companies want to inform other publics of the initiatives that the company undertake.

Company Five

Was of the view that media coverage was very important to their corporate social investment programme, but, only to a certain extent.

4.3.20 The organisation’s achievements/accomplishments with regards to corporate social investment
Respondents were asked to discuss their achievements/accomplishments in terms of the projects instituted by the company.

Company One

- Building of twenty-six pre-schools in partnership with various communities ranging from Umlazi to Nelspruit;
- Partnership with Educare organisations which provide ongoing teacher training for both urban and rural pre-schools;
- Staff participation campaign;
- Entrepreneurship development and skills training;
- Arts and culture;
- Health and welfare; and
- Conservation and environment.

Company Two

- Community development;
- Quality educational foundations;
- Environmental affairs;
- Nutritional information made available to tutors for nurses in training colleges; and
- Community services.

Company Three

- Rally to read campaign;
- Provision of wheelchairs to 250 disabled children;
- Provision of cars to the Soweto Hospice to transport their patients;
- ‘Beares Millionaires’ training programme;
- Donations of group products and services;
- Water tank project;
- Development projects in education;
- Career development project – INROADS/SA; and
• Bursaries for Retail Business Management Degree/Diploma.

Company Four

• The Zululand Chamber of Business Foundation – Community Park;
• Siyabonga Children’s Shelter;
• Ethembeni Care Centre for HIV-infected employees;
• University of Zululand Science Centre;
• Zululand Career & Lifeskills Learning Centre; and
• The ZCBF Masibambane Schools Project.

Company Five

• Upgrading of rural schools;
• Computerised education;
• Company’s commitment to enriching education;
• Teacher support;
• Life skills education;
• Rural development centre clinics;
• Adult skills centres; and
• Community development council.

4.3.21 Monitoring the progress of the company’s investments

Respondents were asked how their corporate social investment programmes were monitored. The methods used are listed on page 92. However, no mention was made of a set method of evaluating each project.
### TABLE 4.5 – METHODS USED BY CORPORATES TO EVALUATE THE PROGRESS OF PROJECTS

<table>
<thead>
<tr>
<th>METHODS</th>
<th>RESPONDENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Result-oriented feedback – regular progress reports; maintenance of statistics; annual reports; project reports; financial statements</td>
<td>Company five</td>
</tr>
<tr>
<td>Periodic site visits</td>
<td>Company one</td>
</tr>
<tr>
<td>Public relations practitioner monitors</td>
<td>Company two</td>
</tr>
<tr>
<td>Commissioning of outside bodies</td>
<td>Company two</td>
</tr>
<tr>
<td>Development teams</td>
<td>Company two</td>
</tr>
<tr>
<td>Auditors</td>
<td>Company two</td>
</tr>
<tr>
<td>Receive feedback from recipients</td>
<td>Company four</td>
</tr>
<tr>
<td>Self monitoring and feedback</td>
<td>Company three</td>
</tr>
<tr>
<td>On-going visits – checking on reports from projects – visits once a year</td>
<td>Company three</td>
</tr>
</tbody>
</table>

Evaluation is conducted on an ad hoc basis, with little or no criteria set for evaluation purposes. All of the respondents interviewed use result-oriented feedback in the form of regular progress reports and financial statements as the major form of evaluation. It is apparent that the value of periodic site visits is still underestimated, or that corporate social investment programmes do not have the resources to visit them regularly.

When one looks at the monitoring and evaluation of projects by corporates, other than those interviewed, it is noted that a large number take monitoring very seriously. The graph on page 93 shows how many respondents feel it important to monitor each project.
FIGURE 4.9 – IMPORTANCE TO CORPORATE GRANTMAKERS OF EVALUATING PROJECTS
4.4  Grunig and Hunts four models of public relations

4.4.1  An Analysis of the companies interviewed

Having analysed the responses obtained from the five companies that were interviewed, it is now appropriate to relate the findings to Grunig and Hunt’s four models of public relations, as discussed earlier in chapter two (see section 2.5, p.20).

Grunig and Hunt constructed four models of public relations to assist public relations practitioners understand the history of formal public relations and how public relations is practiced today.

As discussed in chapter two, the press-agentry/publicity role is defined in Grunig and Hunt’s typology as being one-way communication, which serves a propaganda function, relying on half truth and exaggeration. Such a model would not suit any of the five company’s interviewed as truth plays an important role in investing in communities and such truth must flow in both directions.

The public information model is to disseminate information. In this model truthfulness is of importance, but the flow of information is one-way. Again such a model would not work in our current South African situation.
The public relies on information about a company and it is imperative that information is disseminated to them. The same would be said of the communities being invested in.

The two-way asymmetric model is so called because it attempts to incorporate concepts of feedback into its framework so that the source can adapt its message more appropriately to the receiver. This model involves persuasion. The public is persuaded to accept the organisation’s point of view and to behave in a way that supports the organisation. This model would not work with any of the five companies as each organisation co-operates with their publics.

The two-way symmetric model is characterised by discussion between an organisation and its publics in an attempt to achieve mutual understanding. It implies change both in the organisation and in its public. Corporate social investment is an example of symmetrical public relations. However, when communicated to a third party it becomes publicity, or public information in Grunig and Hunt’s (1984, p. 113) terms. Corporate social investment is a good example of business responding to society’s needs, because public relations facilitates both the activity and the process of communication and understanding to the benefit of all. The information discussed above emphasizes the importance of two-way communication and the requirement to serve the public interest while counseling management.

The roles defined by Grunig and Hunt (1984, p.115) suggest different and potentially conflicting relationships for the public relations practitioner when dealing with the varied publics in society. For Grunig and Hunt do not suggest that organisations necessarily fall into one category or another – what they suggest is that some communications emanating from an organisation will fall into one category, and some into another.

In contrast, L’Etang (1984, p. 116) argues that at present communications about corporate social investment do not often fall into the ideal two-way symmetric model.
The researcher does not agree with L’Etang and believes that the two-way symmetrical model best suites the five companies that were interviewed.

Although each company could be analysed according to each model, the two-way symmetric model best suites each company as it represents a public relations orientation in which organisations and their policies adjust to each other. It focuses on mutual understanding and two-way communication rather than one-way persuasion. The two-way model is used often in regulated businesses like public utilities that strive to build long-term relationships with their publics. Practitioners operating under this model are as likely to suggest internal changes as to recommend repairing something in the environment.

The researcher chose to interpret these models and to determine which of these models best suited the five companies that were interviewed.

Once the models were interpreted and the interviews carried out, it became clear that not everything each practitioner undertook in terms of corporate social investment and public relations, fit all of the models perfectly, as discussed above. There was however, only one of the models that best suited each company.

The two-way symmetric model best suited each company. Each practitioner within the five companies serves as mediator between the organisation and their publics. Their goals are to have a mutual understanding between the organisation and their publics.

In analysing each company according to the two-way symmetrical model the researcher came to the following conclusions.

Company One
The role of public relations within this company is to identify areas for corporate social investment, to establish and maintain relationships outside the company, ongoing monitoring of projects and constant evaluation and feedback.

The public relations department also works closely with the business and marketing division to ensure that the company is meeting the needs of their external stakeholders. The above shows the clear role that the two-way symmetric model plays within this company.

Company Two

The public relations department within this company is regarded as a department within a division. Public relations falls within the public affairs department and plays more of a communication role. Public relations is responsible to millers and growers and the various communities within the sugar region. Public relations plays another major role in terms of enhancing the image of the corporation to its various publics. Decision making in terms of funding is done by the public affairs division and people at grass roots level, e.g. millers and growers.

Company Three

Public relations within this company is outsourced. The basic function of public relations is to show the company in good light. It is seen as a benefit of the company in terms of keeping all important stakeholders informed of the happenings within the company. Funding decisions are made by the human resource department, the Chief Executive Officer and representatives from different communities.

Company Four
Corporate social investment within company four has been outsourced to the Zululand Chamber of Business Foundation, as the day to day management of corporate social investment is labour intensive and time consuming. Public relations is undertaken at company level and includes keeping employees and the general public and important stakeholders informed of the proceedings within the company and its corporate social investment programme.

Company Five

Company five has its own public relations department that reports to the public affairs division. Public relations plays a major role in publicizing activities within the company. Decision making comes from meetings with communities and specialist teams.

This chapter presented a report on the interviews carried out by the researcher. It has uncovered the role that is played by the public relations practitioner and the corporate social investment co-ordinator under the auspices of the Public Affairs Department in most companies. In so doing the researcher has established that the public relations practitioner does not play an effective role in terms of the company’s corporate social investment function.
5.1 CONCLUSIONS AND RECOMMENDATIONS

5.2 Introduction

The area of corporate social investment has grown tremendously with companies building a strong foundation as well as a comfortable climate since its origin. In South Africa corporate social investment has become a challenge to every large corporation who plays a key role in promoting a genuine social commitment to their communities and surroundings. The researcher attempted to examine within this study an area within the field of corporate social investment and public relations in South Africa.

The purpose of this dissertation was to examine the significance of corporate social investment within the field of public relations.

5.3 Findings and highlights within the study

The following three specific aspects of corporate social investment and public relations were investigated in this research.

1. Is corporate social investment seen as a tool for public relations in South Africa?
2. What is the impact of corporate social investment on the public relations environment in South Africa?
3. What is the role of public relations in the implementation of corporate social investment programmes?

The research conducted at the five companies highlighted the following findings:

1. An analysis was drawn from the role of public relations in the implementation of corporate social investment programmes.
It was clear that public relations did not play a major role in the implementation of these programmes. The key areas that public relations seemed to focus on were that of media relations and writing of in-house journals and annual reports. Only two companies seemed to utilize the public relations practitioner in communicating with communities and the evaluating of projects.

2. Most of the respondents had a positive view on the impact created by corporate social investment on the public relations environment. They were firm in their beliefs that public relations was only important to the company for the up-keep of the business image and keeping staff informed.

3. Out of five companies interviewed regarding the role of public relations in the implementation of corporate social investment, one company saw public relations playing a major role in terms of the identification, establishment and maintenance of relationships, ongoing monitoring of projects and evaluation and feedback. Other companies saw public relations playing a role in the communications of the company, that is, writing for annual reports and internal magazines, relating to the media, publicizing activities and crisis situations.

4. The objectives of the corporate social investment programme within each company appeared to be linked to the development, upliftment and improvement of the quality of life within the communities surrounding each company. Also a priority for the company was the development of their internal publics, the employees of the company, especially those from disadvantaged backgrounds.

5. The nature of the corporate social investment departments was studied and it was found that most companies housed their corporate social investment activities within the public affairs division. There was an exception in the sense that one company outsourced its corporate social investment to a business foundation, which was mandated to invest in people and communities.

6. A high degree of involvement existed in the corporate social investment initiatives, by the chief executive officers (CEO) of most companies. Most heads of the public affairs department reported directly to the CEO.
7. Education and arts and culture were mentioned most frequently in terms of programmes instituted by each company. Other programmes that seemed to play a major role were seen to be entrepreneurship, development and skills training, welfare and development and health care. Other areas mentioned were rural development and rural training.

8. Only two companies relate their corporate social investment policies to public relations policies. The reason for this is that both departments work closely with each other to ensure that they meet the required needs of the company.

9. The decision making process in terms of funding within the five companies is taken very seriously. Each company ensures to involve all role players within this process, even those at grass-roots level. Another important factor is the importance of consulting with community leaders on these issues.

10. A systematic means of ensuring that employees were informed about company involvement in corporate social investment initiatives existed. Staff participation in these initiatives seemed to be sorely lacking in most companies.

11. The importance of media coverage to each initiative played a major role. Media coverage was important for the value of the projects and it was more significant at this stage than it was in the past.

12. No evidence of in-house training for staff in terms of corporate social investment initiatives existed.

13. No set criteria to measure the evaluation of initiatives existed.

14. Projects are in some cases evaluated by the public relations practitioner or the corporate social investment practitioner.

Other methods include result-oriented feedback from projects, usage of development teams and auditors and periodic site visits.
5.4 Conclusions

This study has led the researcher to arrive at the following conclusions relating to the main research problem and the three sub-problems investigated.

5.4.1 First Sub-problem

Is corporate social investment seen as a tool for public relations in South Africa?

The researcher found that corporate social investment was not seen as a tool for public relations in South Africa. From the study it was apparent that only two companies related their corporate social investment policies to public relations policies. The reason for this was that both departments worked closely with each other to ensure that they met the required needs of the company.

The current syllabus of the public relations management diploma at tertiary institutions is interpreted by this researcher as teaching that corporate social investment is seen as a tool for public relations in South Africa. This has a direct impact on the current training/teachings of prospective public relations practitioners as most text books still show that corporate social investment is a tool for public relations.

5.4.2 Second sub-problem

What is the impact of corporate social investment on the public relations environment in South Africa?

The impact of corporate social investment on the public relations environment in South Africa is very important, however companies do not view this in the same light.

Most respondents when interviewed had a positive view on the impact created by corporate social investment on the public relations environment. They firmly believed that public relations was only
important to the company for the up-keep of the business image and keeping staff informed.

It is unfortunate that public relations is losing the control of corporate social investment. Companies need to realise the importance of public relations and how it can assist with the corporate social investment function. The problem experienced within companies is that there is uncertainty of the role that is played by public relations practitioners. The public relations syllabi at tertiary institutions teaches that public relations is seen as a management function in industry, however most companies seem to ignore this important fact. This brings one to the important point of management being educated on the significant role that public relations can play within the corporate social investment environment.

5.4.3 Third sub-problem

What is the role of public relations in the implementation of corporate social investment programmes?

From the study it is clear that public relations did not play an important role in the implementation of corporate social investment programmes within each company. The key areas that public relations seemed to focus on was that of media relations and the compilation of in-house journals and annual reports. Only two companies seemed to utilize the public relations practitioner in communicating with communities and in the evaluation of projects. One company saw public relations playing a major role in terms of the identification, establishment and maintenance of relationships, ongoing monitoring of projects and evaluation and feedback. The other companies saw public relations playing a role in the communications of the company, i.e. writing for annual reports and internal magazines, relating to the media, publicizing activities and crisis situations.

With the above in mind it is imperative that public relations practitioners are seen to be capable of handling the responsibility for the
implementation of corporate social investment programmes within each company.

Based on the above, the researcher can therefore conclude that the findings indicate that corporate social investment although regarded as extremely important by each company investigated, was not seen to fall within the field of public relations which was the main problem of this study.

This indicates a specific need to educate and/or make companies aware that public relations can play an important role in administering corporate social investment programmes. Specific recommendations are presented in 5.5 below.

5.5 Recommendations

The purpose of this dissertation focussed on the interface between public relations and corporate social investment and established that there was a distinction between the two areas. It is evident that public relations did not play any major decision making role in the corporate social investment area.

The researcher believes that it is time the public relations practitioner was given the responsibility in terms of decision making, formulation of policies and strategic planning.

Looking further one can see that the public relations practitioner has a very responsible role to play within the organisation. According to Broom and Dozier (1997, p.65), public relations practitioners are problem solvers and advisors to senior management. They are responsible for broad programme results. They identify the following three managerial roles:

- Expert prescriber – who operates as a consultant to define the problem, suggest options, and oversee implementation;
• Problem-solver process facilitator – partners with senior management to identify problems and solve problems; and
• Communication facilitator – the person on the periphery between the organisation and its environment who keeps two-way communication flowing.

From the above it is apparent that Broom and Dozier advise that public relations managers adopt all three roles when functioning in their organisations. Much will depend however, on the style of the practitioner, the expectations of senior management and the type of issues faced.

The researcher strongly agrees with the above authors. The public relations department within these organisations should be allowed to participate in decision making processes and should also be allowed to partake in decisions pertaining to corporate social investment initiatives.

Steyn (1998, p.60) discusses the issue of the organisational radar and suggests that the public relations practitioner be allowed to steer the company in the path of corporate social investment. In due course public relations practitioners may be responsible for proposing corporate social investment activities and identifying the relevant ‘publics’. In other words, public relations practitioners should be involved in formulating policies for the company and should be responsible for the corporate social investment portfolio.

South African corporations need to be reminded of the new PRISA definition, (see section 2.5, p.20) which describes a more managerial role. Do not waste the talent of those public relations practitioners, rather allow them to get more involved with the corporation on a managerial level.

The researcher also recommends that the involvement of staff in the company’s development activities is vitally important. The corporate social investment team should develop a culture of volunteering within the company.
The role the public relations practitioner can play in terms of corporate social investment to the company could be viewed as the following:

- To monitor the changes of the socio-economic environment and keep management informed of developments that has relevance to the company’s corporate social investment programmes;

- To study attitudes of the different publics and report any significant shifts in these attitudes to management;

- To advise management of policy changes that may necessarily be attributable to changes in the socio-economic environment;

- To maintain a constant flow of communication to all the relevant publics concerned with corporate social investment initiatives;

- To advise management of projects that would be beneficial to the company’s social investment policy;

- To ensure staff participation in projects; and

- To be innovative and have a thorough knowledge of the organisation’s surrounding environment.

The researcher is of the opinion that there is a dire need for further analysis of the role of the public relations practitioner within the company, especially now, with the arrival of the new millenium.

5.6 Areas for further research

Corporate social investment and public relations are, and will always be, an interesting field to study. The new millenium brings with it plenty of new reasons for research to be undertaken.
This study has provided an overview of all aspects of corporate social investment and public relations. Future in-depth studies can be undertaken in the following fields:

- Further research can be undertaken to establish whether public relations will play a more managerial role in terms of corporate social investment initiatives;

- Identify the different approaches to management intentions within companies practicing corporate social investment;

- Analyse the role of the public relations practitioner within large corporations; and

- Study the involvement of staff in the corporate social investment area.

5.7 Conclusion

It can be concluded from the study that there is a vast recognition for both the public relations and corporate social investment arenas in South Africa.

The perceptions of the five companies interviewed in terms of the role of public relations within their corporate social investment programmes were of great value and interest to this study.

However, it is a concern that such a challenging and hastily emerging field like public relations is being stifled within industry. The climate that exists in South Africa in terms of public relations and corporate social investment provides many unanswered questions and issues that need to be researched.
LIST OF SELECTED REFERENCES


Harvey, M. (2000). Tobacco law comes into force on Friday. (Http://www.iclinic.co.za)


Mail & Guardian Reporter (1998, March 27 – April 2) Investing in the future, special focus on corporate social investment. p. 3.


RBM. Building a better future in partnership with the community… . [Brochure]. Richards Bay : Author.


Dear

I refer to our conversation earlier this year.

I confirm that I am a registered student at the PE Technikon studying towards a Masters Degree in Public Relations Management.

My research is based on the significance of corporate social investment within the field of public relations, with special reference to selected Kwazulu Natal corporations. I require permission to incorporate your company within the sample of my study.

I would appreciate your assistance in this matter, especially in terms of access to information that is of relevance to my study. I am aware that not all information may be made available, and I assure you that any information that is made available to myself will be used in confidence and with discretion.

Please find attached a letter from my Supervisor Dr B Norris, who confirms my registration at the PE Technikon.

I thank you and look forward to your reply.

Kind Regards

Renitha Rampersad
APPENDIX C

Dear

Further to our conversation on 5.7.99, please find a copy of the questionnaire for my study. As you will determine from the questionnaire, the study focuses on two areas, i.e. corporate social investment and public relations. Therefore it is very necessary for me to interview you at your earliest convenience.

As you may know, not much research has been conducted in the corporate social investment and public relations fields. Therefore your co-operation in this study will contribute significantly to the development of corporate social investment in South Africa.

Please be assured that all information will be treated confidentially. I look forward to meeting with you.

Kind Regards

Renitha Rampersad
APPENDIX D

QUESTIONNAIRE

The significance of corporate social investment within the field of public relations with specific reference to selected KwaZulu Natal Corporations

(Personal details)

Name  ____________________________________

Position  ____________________________________

Department  ____________________________________

Company  ____________________________________

1. What is your company’s core business?

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

2. What is your company’s vision/mission or value statement?

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________
3. What is the objective of the corporate social investment programme within your company?

__________________________________________________________________________

__________________________________________________________________________

__________________________________________________________________________

4. Does the company have a department that is predominantly responsible for corporate social investment issues? Please tick the appropriate response.

Yes (continue to next question)

No (answer question 5.)

What is the staff complement within this department?

__________________________________________________________________________

Who is the head of this department?

__________________________________________________________________________

Who does the head of this department report to?

__________________________________________________________________________

__________________________________________________________________________

5. If your company does not have a department that specifically deals with corporate social investment, please state which department deals with these issues?

__________________________________________________________________________

__________________________________________________________________________
6. Please tick the type of corporate social investment programmes that your company focuses on.

- Welfare Development
- Arts & Culture
- Education
- Health Care
- Sport Development
- Business Development
- Conservation & Environmental Education
- Job Creation
- Entrepreneurship Development & skills training
- Other (please specify)

7. What is the role of public relations in the implementation of these corporate social investment programmes?


8. Do you believe that corporate social investment is seen as a tool for public relations in South Africa? If yes, please elaborate.

- Yes
- No
9. Are the corporate social investment programmes related to other public relations policies? If yes, please explain.

Yes
No

10. What are your thoughts on the impact of corporate social investment on the public relations environment in South Africa?


11. How are the corporate social investment programmes funded? Please tick.

Cash
Donations
Sponsorships
Other (specify)


12. Who assists in the decision making process in terms of funding?
13. Has the budget for corporate social investment changed over the past two years? Please tick the appropriate response.

- Slight increase
- Drastic increase
- No change
- Slight decrease
- Drastic decrease

14. Does the company have a defined corporate social investment policy? If yes who is responsible for formulating such policies?

- Yes
- No

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________

15. What are your thoughts regarding the opportunities/rewards of being perceived as a social investment company?

_________________________________________________________________
_________________________________________________________________
_________________________________________________________________

16. Is staff informed about the initiatives the company is involved with? If yes, please state how information is disseminated.

- Yes
- No
17. Is there staff participation in corporate social investment activities? If yes, please explain.

Yes
No

18. Does the company have any form of in-house training regarding social investment? If yes, please discuss.

Yes
No

19. Does the company publish information on corporate social investment spending? If yes, please state where and who is responsible for this.

Yes
No
20. How important is media coverage to the programme?


21. Could you please state what your organisation has achieved/accomplished with regards to corporate social investment, i.e. what have been the company’s major achievements?


22. How does the company monitor the progress of its investments? Who is responsible for this?


Thank you for your co-operation
# APPENDIX E

**INTERVIEW SUMMARY – THE SIGNIFICANCE OF CORPORATE SOCIAL INVESTMENT WITHIN THE FIELD OF PUBLIC RELATIONS WITH SPECIFIC REFERENCE TO SELECTED KWAZULU NATAL CORPORATIONS**

<table>
<thead>
<tr>
<th></th>
<th>Company one</th>
<th>Company two</th>
<th>Company three</th>
<th>Company four</th>
<th>Company five</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Does the company have a department that is predominantly responsible for csi issues?</td>
<td>Yes Public Affairs</td>
<td>Yes Public Affairs</td>
<td>General Manager sees to csi and smaller public relations details.</td>
<td>Csi is outsourced.</td>
</tr>
<tr>
<td></td>
<td>What is the staff complement?</td>
<td>Five personnel</td>
<td>Three personnel</td>
<td>Two personnel</td>
<td>Five personnel</td>
</tr>
<tr>
<td></td>
<td>Who does the head of this department report to?</td>
<td>Managing Director</td>
<td>Head of public affairs division</td>
<td>Human Resource Director</td>
<td>Board of Directors</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Managing Director</td>
</tr>
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<td></td>
<td>Company one</td>
<td>Company two</td>
<td>Company three</td>
<td>Company four</td>
<td>Company five</td>
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</tr>
<tr>
<td>2.</td>
<td>What is the role of public relations in the implementation of csi programmes</td>
<td>Public relations plays a major role in-terms of the identification, establishment and maintenance of relationships, ongoing monitoring of projects, evaluation and feedback.</td>
<td>Public relations plays a major role in communicating with their communities.</td>
<td>Outsources public relations in-terms of writing for the company. Internal public relations is handled by the general manager.</td>
<td>Public relations is focussed internally, i.e reporting to in-house journals, annual reports, and the media.</td>
</tr>
<tr>
<td>3.</td>
<td>Is csi seen as a tool for public relations in South Africa?</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>4.</td>
<td>Are the csi programmes related to other public relations policies?</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Declined to answer</td>
</tr>
<tr>
<td></td>
<td>Company one</td>
<td>Company two</td>
<td>Company three</td>
<td>Company four</td>
<td>Company five</td>
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<tr>
<td>5.</td>
<td>Thoughts on impact of csi on public relations environment in South Africa.</td>
<td>Extremely important for the business image</td>
<td>Internal public relations a big benefit in terms of keeping staff informed.</td>
<td>Public relations destroys the sincerity of csi projects.</td>
<td>Csi will eventually assist public relations in terms of company’s image.</td>
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<td></td>
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</tr>
<tr>
<td>6.</td>
<td>Funding of csi programmes.</td>
<td>Donations and sponsorships</td>
<td>Cash and Donations</td>
<td>Donations and sponsorships</td>
<td>Declined to answer</td>
</tr>
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<td></td>
<td>Doantions</td>
</tr>
<tr>
<td>7.</td>
<td>Involvement in the decision making process in terms of funding.</td>
<td>Public Affairs Manager and board of trustees.</td>
<td>Public Affairs committee and growers and millers</td>
<td>Chief Executive Officer and csi forum.</td>
<td>General Manager public affairs, public relations team and communities.</td>
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<td></td>
<td>Continuously changing.</td>
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<td><strong>Company one</strong></td>
<td><strong>Company two</strong></td>
<td><strong>Company three</strong></td>
<td><strong>Company four</strong></td>
<td><strong>Company five</strong></td>
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</tr>
<tr>
<td>9.</td>
<td>Formulation of csi policies within the company.</td>
<td>Public Affairs division.</td>
<td>Company has a defined csi policy that is not changed very often.</td>
<td>The forum.</td>
<td>The outsourced company.</td>
</tr>
<tr>
<td>10.</td>
<td>Rewards of being perceived as a csi company.</td>
<td>Important to be perceived as a responsible, caring corporation to business environment.</td>
<td>Increasing awareness in society.</td>
<td>Employing a better calibre of people that will assist the company in making a positive contribution to the business environment.</td>
<td>Seen as role model to employees and business environment.</td>
</tr>
<tr>
<td>11.</td>
<td>Informing staff of company involvement in initiatives.</td>
<td>Staff informed through in-house magazines, Internet sites, conventions.</td>
<td>Through company newsletter.</td>
<td>Through company newsletter and csi page on internet.</td>
<td>In-house publications and video presentations.</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Heads meeting every week. Company briefing system, presentations, brochures.</td>
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<td></td>
<td>Company one</td>
<td>Company two</td>
<td>Company three</td>
<td>Company four</td>
<td>Company five</td>
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</tr>
<tr>
<td>12.</td>
<td>Staff participation in csi activities.</td>
<td>Has a dedicated staff participation programme.</td>
<td>Company is considering such an idea.</td>
<td>No formal process exists.</td>
<td>Open to staff who would like to participate in ZCBP projects.</td>
</tr>
<tr>
<td>13.</td>
<td>Evidence of in-house training for staff</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Yes, although no formal process existed, information could be found within company guidelines.</td>
</tr>
<tr>
<td>14.</td>
<td>Published information on csi spending.</td>
<td>Yes, information made available from public affairs.</td>
<td>Yes, for industry to quantify the company’s involvement in csi issues.</td>
<td>No information published on spending.</td>
<td>Yes, published in annual report.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Yes, published in company magazine and supplements and also strong media relationship in existence.</td>
</tr>
<tr>
<td></td>
<td>Importance of media coverage to the programme</td>
<td>Company one</td>
<td>Company two</td>
<td>Company three</td>
<td>Company four</td>
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</tr>
<tr>
<td>15.</td>
<td>More significant now than previously thought.</td>
<td>Media coverage very important to the programme.</td>
<td>Media coverage important and of value for projects to operate.</td>
<td>Media coverage has become increasingly more important.</td>
<td>Media coverage very important to company’s csi programme.</td>
</tr>
</tbody>
</table>

|   | Monitoring of the progress of company’s investments. | Periodic site visits are done. | Public relations person monitors with development teams. | Self monitoring and feedback, ongoing visits once a year. | Receive feedback from recipients. | Result-oriented feedback, regular progress reports and project reports. |