THE IMPLICATIONS OF COMPANY CORPORATE SOCIAL RESPONSIBILITIES ON THE DEVELOPMENT OF LOCAL COMMUNITIES

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Abstract

Since Corporate Social Responsibility (CSR) has become established in our vocabulary, over the past few years, business enterprises have come under increasing pressure to accept responsibility for the environment in which they function. This paper is aimed to evaluate the impact of company corporate social responsibilities on the development of local communities. The primary data were collected using the quantitative technique. Data were collected from selected areas of Richards Bay in the Northern region of KwaZulu-Natal (KZN) province. The sample consisted of 129 respondents from the members of communities. The reliability data of this study found to be significant at 0.782. The results reveal that the majority of respondents believe that they do benefit from a local company in many ways. The findings also indicate that the benefits include creation of jobs, capacity building, technology, contracting and business opportunities and social investment. The finding of this study is limited by the study's exploratory and quantitative nature. Generalizing should be done with care and further research with larger samples and consideration of the other provinces is therefore recommended.

Keywords: Social Responsibility, Implications, Local Communities, Corporate, Development, Company

1. INTRODUCTION

It has been noticed that protest actions by communities around the country against government departments and local municipalities for non-delivery of basic services, such as water, electricity, and housing and job opportunities are frequent and continuous. The sad truth about this whole matter is that the government alone cannot meet all the demands of our communities and society. Therefore, commercial businesses need to play their role and come on board to assist in improving the lives of the people from communities in which they operate. The impact of their presence and operations on communities and on the environment is significant, as they have much financial power and influence on all sectors of society. Companies also have the power to transform society for the better by acting responsibly in the pursuit of profit (Du Toit, Erasmus and Strydom 2010). Businesses should be able to use their power, influence and markets to contribute to the common good; which is to provide equitable and safe job opportunities to the poor invest in small and medium enterprises (SMEs) and sponsor community programmes for women and local schools through partnering with government, businesses, and communities or by themselves.

During the past 20 years, Richards Bay Minerals (RBM) has negotiated agreements with land-connected host communities to gain access for exploration and to develop mining operations at Richards Bay in the Northern region of KwaZulu-Natal, and since then Richards Bay Minerals has been experiencing problems with community members from the areas of Mzingazi,Sokhulu, KwaMbonambi, kwaDubeand Mkhwanazi whereby community members have been blockading the roads leading to the mine entrance and causing disruptions to the mining operations. RBM is a subsidiary of Rio Tinto,it extracts titanium iron ore, rutile and zircon from the dunes surrounding these communities. According to Vusi Khumalo (2016) it is alleged that the local community members have been accusing the mine of not employing locals and deviating from the existing agreement which sought to prioritise development in the area. These include the alleged failure by the mine to implement its obligation of social responsibility duties reached in 2013, failure to prioritise programmes covering educational, health initiatives as well as providing

local employment, small business and contractor opportunities.

Richards Bay Minerals' approach to people is to use a number of tools and resources to guide their interaction with communities. They work from a common Communities and Social Performance framework which is based on building knowledge, engaging with communities and developing mutually beneficial programmes. These programmes should reflect baseline assessments and consultation, cover educational, health initiatives, local employment, small businesses and contractor opportunities, they should also build long-term local skills and knowledge to encourage self-help and avoid dependency.

This study investigated the impact of Richards Bay Minerals' corporate social responsibility on local communities in these areas of the Northern region of Kwazulu-Natal in dealing with the situation and challenges facing the local communities.

The main aim of the study is to investigate the perceived impact of Richards Bay Mineral's corporate social responsibility on the improvement of the lives of communities.

Objectives of the study are:

• to examine the impact Richards Bay Minerals' corporate social responsibility initiatives is doing for the communities in the Northern region of KwaZulu-Natal;

• to determine to what extent Richards Bay Minerals' corporate social responsibility affects the lives of communities in the Northern region of KwaZulu-Natal;

• to identify the factors that are hindering Richards Bay Minerals from participating in Corporate Social Responsibility; and

• to recommend implementation strategies to be used to monitor the impact that Richards Bay Minerals' corporate social responsibility has on communities.

The following sections of this paper, therefore, will cover literature review, research methodology, research findings, recommendations as well as conclusions.

2. LITERATURE REVIEW

The development and implementation of corporate social responsibility (CSR) frameworks, policies and practices in companies is an on-going process. It calls for vision and commitment from the leadership and management of the company (i.e. board of directors and the senior management team) (Du Toit, Erasmus and Strydom, 2010). Corporate social responsibility implies that a manager in the process of serving his/her own business interests is obliged to take actions that also protect and enhance society's interests. The overall effect is to improve the quality of life in the broadest possible way, regardless of how quality of life is defined by society (Smit and de Cronje', 2002).

Socially responsible activities by organisations can be classified in terms of the stakeholders affected by the actions of the organisation. The stakeholders can be classified in terms of primary and secondary. Primary stakeholders include business owners who are interested in the pursuit of profits; achievement of goods and effectiveness and efficiency of the organisation; productivity; promotion of the organisation's image; and public relations and environmental management and control (Smit and de Cronje, 2002). Secondary stakeholders include local communities and the country as a whole. Local communities demand social responsibility from organisations in areas such as environmental protection and ecological control; community development; low-cost housing; health and medical support services; training and development of the local population; donations to NGO's; sponsorships for schools and sporting bodies; and the creation and promotion of an economic infrastructure. There has been a growing attention to the subject of social responsibility and an increasing amount of literature on the subject and on a new work ethic, for example, Shortland points out that consumer activism has never been more intense and the media very rapidly exposes unethical practices (Laurie, 2002).

The country as a whole benefits from the support of country-wide projects and campaigns. Organisations play a major and increasingly important role in the lives of us all, especially with the growth of large scale business and the divorce of ownership from management (Laurie, 2002). Nature conservation, support of educational programs, up liftment of the poor and illiterate, financial support of education and training, promotion of art and science, welfare and international relations are the areas of social responsibility (Smit and de Cronje', 2002). Many contemporary social up-liftment and social programs are financed and managed by corporate South Africa (Smit and de Cronje', 2002). An organisation that promotes the interest of the community in which it operates acts according to an ethical code which directs its activities to the advantage of its own employees and the public at large (Cronje, Hugo, Newland and Van Reenen, 1994).

The worldwide managing director of McKinsey & Company, Ian Davis, affirmed the strategic importance of developing systematic responses to the expectations of society as key to the competitive advantage for firms (Perrini, Pogutz and Tencanti, 2006). Moreover, he objected to companies' adoption of merely defensive or greenwashing policies as an inadequate response to activists demands. In order for corporate social responsibility to be effective and in line with economic objectives, companies should shift to a different strategy, based on new social contracts with stakeholders (Perrini, Pogutz and Tencati, 2006).

Corporate Social Responsibility (CSR) means that a corporation should be held accountable for any of its actions that affect people. It implies that negative business practices impacts on people and society should be acknowledged and corrected, if at all possible. However, being socially responsible does not mean that a company must abandon its primary economic mission (Post, Frederick, Lawrence and Weber, 1996). In the United States, the idea of corporate social responsibility appeared around the turn of the 20th century when corporations at that time came under attack for being too big, too powerful and guilty of ant-social and anti-competitive practices.

An important contribution to the literature in the 1980s was Thomas M Jones's (1980) article (Carroll, 1999). Jones drew an analogy with the political process, assessing that the appropriate process of CSR should be fair, where all interests of the stakeholders are heard.

According to Preston and Post (1981), companies should consider the consequences of their actions, but are not required to resolve all the problems of society. The essence of CSR in the 2000s is "doing good to do well", although this assumption is true only under certain conditions where there are coherent institutional supports and a sufficiently large market (Carroll and Shabana, 2010), since not all socially responsible behaviours have equal potential profitability or market demand.

2.1. CSR in the Mining Industry

RBM's approach to cultural heritage has been to recognise and respect the cultural heritage of all communities in which they operate, particularly that of Indigenous Traditional Owners who have close connections to land. Hilson (2001) asserts that mining companies have, generally, taken a proactive stance towards environmental issues and, to a lesser extent, socio-economic and community matters. Wise and Sokol (2007) assert that mining companies impact local economies through:

- procurement of goods and services;
- product distribution;
- employment;
- social and community investment.

Extractive companies can also invest in growing the cohorts of entrepreneurs and skilled workers who might become their future employees, suppliers, distributors, regulators and customers. Investments in the building blocks of civil society and the enabling environment are also productive (Wise and Sokol, 2007).

According to Bruni Celli and Gonzales (2010), social value implies getting rid of barriers for social inclusion as well as giving a helping hand to the social prosperity of vulnerable communities. On the other hand, economic value addresses concrete tangible or intangible benefits companies can draw upon to improve their chances in the marketplace. CSR practices have proven to a worthwhile effort to executive. Studies have long found that CSR has a positive impact on company reputation, corporate image and even performance (Burke and Logsdon, 1996; Hur, Kim, Woo, 2014; Johnson, 2003; Porter and Kramer, 2002; Stanwick and Stanwick, 1998). Organisations are social entities and the values of an organisation are reflected in the behaviour of the members of the organisation (Bagrain, Cunningham, Pieterse-Landman, Potgieter and Viedge, 2011). Companies thus try to meet shareholders and general public demands that they be more socially, ethically and environmentally responsible (Noe, Hollebeck, Gerhart and Wright, 2015).

2.2. CSR in South Africa

According to the article in In On Africa (IOA) by Florez-Araoz (2011), corporations have come to realise that they cannot operate in isolation to the community that good governance and social involvement go beyond the work performed in their offices. It further states that one has to recognise that the adoption of a CSR posture does not result only from a generalised and progressive "change in corporate conscience", but also from the pressure of interest groups and non-profit organisations that defend different social causes (mining companies were mostly targeted for their alleged lack of consideration to the communities they worked in and to the environment), the need to follow accepted business trends and standards, the potential enhancements of the company's image which can eventually translate into higher sales and lower employee turnover, the need to comply with relevant regulations and to satisfy the public scrutiny, among others.

According to research, not all CSR efforts in South Africa result from voluntary or indirect business decisions, some of them are the product of corporate compliance with the Black Economic Empowerment (BEE) legislation. The BEE Act forces South African based companies to consider all stakeholders when performing their internal and external operations in an effort to eradicate social and economic inequalities inherited from the apartheid days and to help previously discriminated groups to actively participate in the country's economy. In 1994, the King Committee on Corporate Governance issued the first report, King Report I, aimed to promote corporate governance and adequate standards for board of directors of listed companies, financial institutions and some public enterprises. While encouraging good governance practices, the report also emphasized the need for corporations to be socially responsible in the areas and communities in which they operate.

2.3. Social Responsibility Management

For appropriate and strategic social responsibility management, companies need to have systems for objectively measuring their commitment to CSR practices, commonly known as corporate social performance (CSP). Carroll (1979) introduced one of the first conceptual models of CSP and opted for 'performance' as the operative term because 'responsibility' is not measurable. Since the 1990s, CSP has often been interpreted from a Stakeholder Theory perspective. Clarkson (1995) states that, firm's social performance can be more effectively analysed and assessed by using a framework based on the management of their stakeholder relationship. Stakeholder consideration enables us to answer questions as:

- Socially responsible to who?
- Socially responsible about what?
- Social performance judged by whom and by what standards? (Clarkson: 1995).

The literature that associates stakeholder management with good social schemes and practices regularly considers that communication is of vital importance for making substantial progress in social performance (Mathis: 2007).

3. RESEARCH METHODOLOGY

A quantitative research approach was used to collect data for this study.

Quantitative methods begin with a series of predetermined categories, usually embodied in

standardised quantitative measures and this data is used to make broad and generalizable comparisons (Terre Blanche, Durrheim and Painter, 2006). In sociology, a quantitative research refers to the systematic empirical investigation of social phenomena via statistical, mathematical or numerical data or computational techniques.

3.1. Target Population

The target population comprise of 129 community members from Churches, Clinics, Schools and Society at large within the Northern region of KwaZulu-Natal where Richards Bay Minerals is located. The choice of this number is based on the geographical location of the business in that local community.

3.2. Sample technique

The total population of 129 community members were sampled, which will include community leaders, pastors/reverends, school principals and clinic heads and community at large within the Northern region of KwaZulu-Natal. Therefore, this number represents the population census in this particular area. Cluster sampling was used to categorise the population in this study. The sampling frame was drawn from municipal wards where churches, schools, clinics and general households are situated. 20 respondents from each of these community clusters of different municipal wards were selected for a survey within the Northern region of KwaZulu-Natal.

3.3. Data Collection

A structured questionnaire will be the data collection method used to collect the primary data. The questionnaire will contain closed ended questions and the Likert scale format will be used. With the assistance of a fully trained researcher which will be employed, the questionnaire will be handed out to the respondents and they will be given a period of two weeks to fill them.

Completed questionnaire will be given to community leaders, pastors/reverends, school principals and clinic heads within the community who will keep them until the collection date by the employed researcher.

3.4 Data Analysis

Terre Blanche, Durrheim and Painter (2006) state that data analysis issues should be carefully considered when designing a study, since the aim of data analysis is to transform information (data) into an answer to the original research question. A careful consideration of data analysis strategies will ensure that the design is coherent as the researcher matches the analysis to a particular type of data, to the purposes of the research and to the research paradigm. In this study, the elements will be the communities in the Northern region of KwaZulu-Natal.

4. RESEARCH FINDINGS

The survey conducted in difference place in the Northern KwaZulu-Natal province in South Africa. Analysis of data reveals the following results.

Table 1. Responses on Company social responsibility

Research Area	Point Scale					No. of Respondents
	Strongly Agree	Agree	Unsure	Disagree	Strongly disagree	
Response on the benefit of company social responsibility	57 (44.2%)	47 (36.4%)	11 (8.5%)	13 (10.1%)	1 (0.8%)	129
Response on the effect of company social responsibility	2 (1.6%)	37 (28%)	47 (36%)	32(25%)	11(9%)	129
Responses on the contribution to the wellbeing of society	14 (11%)	49 (38%)	38 (29%)	28 (22%)		129
Responses to RBM's CSR programs benefits	4 (3%)	58 (45%)	50 (39%)	17 (13%)		129
Responses on sustainability of communities	10 (8%)	32 (25%)	63 (49%)	23 (17%)	1 (1%)	129

Table 1 above indicates the response on the benefit of company social responsibility. The findings show that 57(44%) of the respondents replied Strongly Agree; 47(36%) said Agree; 11(9%) said Unsure; 13(10%) said Disagree and 1(1%) said Strongly Disagree. The results of the survey revealed that many of the respondents strongly agree that the benefits brought by RBM to local people include jobs, capacity building, technology, contracting and business opportunities and social investment. With regard to Response on the effect of company social responsibility. The results further show that 2(2%) of the respondents replied Strongly Agree; 37(28%) replied Agree; 47(36%) replied Unsure; 32(25%) replied Disagree and 11(9%) replied Strongly Disagree. The results of the survey thus show that many of the respondents are unsure that there is a negative effect on the livelihood, health, safety,

lifestyle, security and economic development of communities developed by RBM.

While on the contribution to the wellbeing of society show that 14(11%) of the respondents replied Strongly Agree; 49(38%) replied Agree; 38(29%) replied Unsure and 28(22%) replied Disagree. The results of the survey revealed that many respondents agree that RBM has contributed to the wellbeing of the society of the northern region of KZN. The response RBM's CSR programs benefits, show that 4(3%) of the respondents replied Strongly Agree; 58(45%) said Agree; 50(39%) replied Unsure and 17(13%) replied Disagree. The result of the survey revealed that many respondents agree that RBM's corporate social responsibility programs are skewed to benefit the few while starving many. The responses on sustainability of communities, show that 10(8%) of the respondents replied Strongly

Agree; 32(25%) replied Agree; 63(49%) replied unsure; 23(17%) said Disagree and 1(1%) replied Strongly Disagree. The results of the survey revealed that many of the respondents are unsure that the

sustainability of the communities surrounding RBM is based on the corporate social responsibility of the company.

Table 2. Responses on Communities benefits from the company

Research Area	Point Scale					No. of Respondents
	Strongly Agree	Agree	Unsure	Disagree	Strongly disagree	
Responses on feedback to communities by the CSR management of RBM	9 (7%)	22 (17%)	51 (40%)	45 (34%)	2 (2%)	129
Responses to impacts on culture	6 (5%)	56 (43%)	43 (33%)	20 (16%)	4 (3%)	129
Responses on benefits to schools	34 (26%)	48 (37%)	35 (27%)	11 (9%)	1 (1%)	129
Responses on community acknowledgement	11 (9%)	21 (16%)	51 (39%)	40 (31%)	6 (5%)	129
Responses on inputs on decision making	7 (5%)	20 (16%)	49 (38%)	48 (37%)	5 (4%)	129

Responses on feedback to communities by the CSR management of RBM, Table 2 shows that 9(7%) of the respondents replied Strongly Agree; 22(17%) replied Agree; 51(40%) said Unsure; 45(34%) replied Disagree and 2(2%) replied Strongly Disagree. The results of the survey revealed that many of the respondents are unsure that the corporate social responsibility management of RBM always gives feedback to community on issues pertaining to social responsibility. Responses to impacts on culture, the results show that 6(5%) of the respondents Strongly Agree; 56(43%) replied Agree; 43(33%) answered unsure; 20(16%) answered Disagree and 4(3%) replied Strongly Disagree. The results of the survey therefore revealed that the majority of the respondents agree that there are negative impacts brought by RBM's corporate social responsibility on northern region's culture.

Responses on benefits to schools, the results show that 34(26%) of the respondents replied Strongly Agree; 48(37%) replied Agree; 35(27%) answered Unsure; 11(9%) answered Disagree and

1(1%) replied Strongly Disagree. The results revealed that most of the respondents agree that schools do benefit from corporate social responsibility programs established by RBM. Responses on community acknowledgement, the findings show that 11(9%) of the respondents replied Strongly Agree; 21(16%) replied Agree; 51(39%) replied Unsure, 40(31%) answered Disagree and 6(5%) answered Strongly Disagree. The result of the survey revealed that the majority of the respondents are unsure that the local communities are always reminded of how much they contribute to the success of the company's social responsibility issues. Responses on inputs on decision making, the results show that 7(5%) of the respondents replied Strongly Agree; 20(16%) replied Agree; 49(38%) answered Unsure; 48(37%) replied Disagree and 5(4%) replied Strongly Disagree. The results of the survey further reveals that almost the equal numbers of respondents are unsure and disagree that RBM always ask for inputs in decision making pertaining to social responsibility issues.

Table 3. Responses on opportunities for advancement

Research Area	Point Scale					No. of Respondents
	Strongly Agree	Agree	Unsure	Disagree	Strongly disagree	
Responses on opportunities for advancement	14 (11%)	51 (39%)	42 (33%)	19 (15%)	3 (2%)	129
Responses on management attitudes on influencing motivation positively	15 (12%)	35 (27%)	51 (39%)	27 (21%)	1 (1%)	129
Responses on comparison to others	18 (14%)	32 (25%)	67 (52%)	10 (8%)	2 (1%)	129
Responses on creating the positive image about RBM	9 (7%)	48 (37%)	43 (33%)	29 (23%)		129
Responses on the respect for RBM	14 (11%)	64 (49%)	49 (39%)	2 (1%)		129

Responses on opportunities for advancement, Table 3 show that 14(11%) of the respondents replied Strongly Agree; 51(39%) replied Agree; 42(33%) answered Unsure; 19(15%) said Disagree and 3(2%) replied Strongly Disagree. The result of the survey revealed that the majority of the respondents agree that RBM's corporate social responsibility offers the communities the opportunity for advancement. Responses on management attitudes on influencing motivation positively, Table 3 shows that 15(12%) of the respondents replied Strongly Agree; 35(27%) replied Agree; 51(39%) answered Unsure; 27(21%) answered Disagree and 1(1%) said Strongly Disagree. The results of the survey revealed that the majority of the respondents are unsure that the attitudes of corporate social responsibility management at RBM influence motivation positively

resulting in communities to advance their lives. Responses on comparison to others, Table 3 shows that 18(14%) of the respondents replied Strongly Agree; 32(25%) replied Agree; 67(52%) answered Unsure; 10(8%) replied Disagree and 2(1%) answered Strongly Disagree. The results of the survey revealed that the majority of the respondents are unsure that when compared to other companies, RBM is better than the most when it comes to social responsibility issues.

Responses on creating the positive image about RBM, the findings show that 9(7%) of the respondents replied Strongly Agree; 48(37%) replied Agree; 43(33%) replied Unsure and 29(23%) replied Disagree. The results of the survey revealed that most of the respondents agree that they talk positively about RBM's social responsibility.

Responses on the respect for RBM, Table 3 shows that 14(11%) of the respondents replied Strongly Agree; 64(49%) said Agree; 49(39%) replied Unsure and 2(1%) answered Disagree. The results of the survey revealed that many respondents agree that they respect the history and vision of RBM.

Table 4. Responses on the level of satisfaction

Research Area	Point Scale					No. of Respondents
	Strongly Agree	Agree	Unsure	Disagree	Strongly disagree	
Responses on the level of satisfaction	15 (12%)	24 (19%)	61 (47%)	27 (21%)	2 (1%)	129
Responses on opportunities availed for social advancement	12 (9%)	48 (37%)	23 (18%)	45 (35%)	1 (1%)	129
Responses on the freedom to voice concerns	10 (8%)	11 (9%)	30 (23%)	71 (55%)	7 (5%)	129
Responses on the concept of CSR	17 (13%)	43 (33%)	46 (36%)	21 (16%)	2 (2%)	129
Responses on social and political activities participation	9 (7%)	43 (33%)	8 (6%)	69 (54%)		129

Responses on the level of satisfaction, Table 4 shows that 15(12%) of the respondents replied Strongly Agree; 24(19%) replied Agree; 61(47%) answered Unsure; 27(21%) replied Disagree and 2(1%) replied Strongly Disagree. The results of the survey thus revealed that the majority of the people are unsure of their satisfaction about the way things are done at RBM when it comes to social responsibility issues. Responses on opportunities availed for social advancement, the results show that 12(9%) of the respondents replied Strongly Agree; 48(37%) replied Agree; 23(18%) answered Unsure; 45(35%) said Disagree and 1(1%) said Strongly Disagree. The results of the survey revealed that the majority of the respondents agree that they are always encouraged by RBM to take the opportunities they avail regarding the social advancement issues. Responses on the freedom to voice concerns, Table 4 shows that 10(8%) of the respondents replied Strongly Agree; 11(9%) replied Agree; 30(23%) said Unsure; 71(55%) answered Disagree and 7(5%) replied Strongly Disagree. The results of the survey thus revealed that the majority of the respondents disagree that they find it easy to voice their concerns to RBM regarding social responsibility issues.

Responses on the concept of CSR, the results 19 show that 17(13%) of the respondents replied Strongly Agree; 43(33%) replied Agree; 46(36%) answered Unsure 21(16%) replied Disagree and 2(2%) said Strongly Disagree. The results of the survey thus revealed that the majority of the respondents are unsure of the concept of corporate social responsibility. Responses on social and political activities participation, the results 20 show that 9(7%) of the respondents replied Strongly Agree; 43(33%) replied Agree; 8(6%) answered Unsure and 69(54%) replied Disagree. The results of the survey revealed that the majority of the respondents disagree that they participate actively to the social and political activities in their local community.

Table 5. Responses on social outings and programs

Research Area	Point Scale					No. of Respondents
	Strongly Agree	Agree	Unsure	Disagree	Strongly disagree	
Responses on social outings and programs	9 (7%)	22 (17%)	74 (57%)	23 (18%)	1 (1%)	129
Responses on CSR as a marketing strategy to impact positively	26 (20%)	52 (40%)	46 (36%)	3 (2%)	2 (2%)	129
Responses on stakeholder engagement, community activities and sustainable economy	10 (8%)	31 (24%)	68 (53%)	20 (15%)		129
Responses on communication efforts	10 (8%)	25 (19%)	61 (47%)	29 (23%)	4 (3%)	129

Responses on social outings and programs, Table 5 show that 9(7%) of the respondents replied Strongly Agree; 22(17%) replied Agree; 74(57%) replied Unsure; 23(18%) answered Disagree and 1(1%) said Strongly Disagree. The results of the survey revealed that the majority of the respondents are unsure if RBM often organises social outings and programs for local communities. Responses on CSR as a marketing strategy to impact positively, the results show that 26(20%) of the respondents replied Strongly Agree; 52(40%) replied Agree; 46(36%); 3(2%) said Disagree and 2(2%) said Strongly Disagree. The results of the survey revealed that the majority of the respondents agree that corporate social responsibility is a marketing strategy for the company that may have a positive impact on local and regional communities.

Responses on stakeholder engagement, community activities and sustainable economy, the findings that 10(8%) of the respondents replied Strongly Agree; 31(24%) replied Agree; 68(53%) said Unsure and 20(15%) replied Disagree. The results of the survey thus revealed that the majority of the respondents are unsure that RBM's corporate social responsibility activities involve stakeholder engagement, community activities and sustainable local economy. The results show the results of the survey. Responses on communication efforts, the results show that 10(8%) of the respondents replied Strongly Agree; 25(19%) said Agree; 61(47%) replied Unsure; 29(23%) replied Disagree and 4(3%) said Strongly Disagree. The results of the survey revealed that the majority of the respondents are unsure if RBM communicates its corporate social responsibility efforts locally.

5. CONCLUSION

The study concluded that people are satisfied with the benefits brought by RBM like jobs, capacity building, technology, contracting and business

opportunities and social investment. They also that RBM have contributed significantly in their wellbeing. There are other numbers of the communities who believe that RBM benefits don't cover every body. However, the respondents perceived RBM to have established CSR programs that benefits the local schools and also RBM's corporate social responsibility offers the communities the opportunity for advancement. 55 percent of the respondents are of the opinion that it is not easy for them to voice their concerns to RBM regarding social responsibility issues. This is because company comes with the complete plan of the developmental programmes to the communities.

The following recommendations are made, based on the findings of the study:

• CSR management team at RBM should equally distribute the benefits such as jobs, capacity building, technology, contracting and business opportunities etc. amongst the local communities. This will bring an end to the riots and strikes we have seen happening around the area and it will bring peace and harmony in the community of RBM

• CSR management team should ensure that all stakeholders are involved in decision making when it comes to issues pertaining to social responsibility.

This has been attested by Naidoo (2009), who stated that The Social Venture Network has put forward the nine key principles which companies can use as guidelines in developing their CSR programmes. The following four has been recommended for RBM as the most important to be considered to improve their CSR implementation efforts.

• *Accountability* – reporting to stakeholders should be guided by the principles of transparency and integrity; stakeholders' 'need to know' should take precedence over inconvenience and cost to company. Transparency is integral to building a company's reputation.

• *Financial returns* – the company's profits should sustain long-term, sustainable growth and an increase is shareholder value.

• *Business relationships* – the company should strive to be fair and honest will all business partners, and it should monitor the CSR programmes of its business partners to ensure that they are not inconsistent, in principle, with those of the company.

• *Community involvement* – the company should have as open, honest, transparent, proactive relationship with the community.

An understanding of why the organisation does certain things in a certain and where the organisation is heading will make all stakeholders more committed to the cause. This can be possible through effective communication channels. The King report clearly states that transparent and effective communication is essential for building and maintaining stakeholders trust and confidence (principle 8.4), this implies information that is complete, timely, relevant, accurate, honest and accessible.

However, this study limited by the small sample size and the exclusion of other local communities in the same district. The generalization of this survey should be used with outmost care. Therefore, further research is recommended which

will include more than one company and large sample.

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