Article

A Management Model for Transformative Corporate Social Responsibility Practices: The Case of the South African Business Sector

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Abstract

Purpose/objectives: In the absence of a socio-economic transformative business agenda, our purpose is to propose a transformative Corporate Social Responsibility (CSR) management model for businesses in South Africa.
Design/methodology: A case study design was followed, using document analysis and a questionnaire as data collection methods. Thirty respondents, representing nine businesses from the banking, food and telecommunication sectors, were sampled.
Findings: The results suggest that businesses do not follow a systematic, uniform reporting format annually and do not fully comply with Global Reporting Initiative (GRI) standards or B-BBEE compliance targets. Furthermore, no clear evidence could be found in the sampled companies' sustainability reports of how much money was contributed annually to socio-economic development, and no progressive CSR trends could be discerned.
Practical implications: A practical model with guidelines is presented to assist South African businesses to successfully comply with statutory and regulatory obligations and international CSR reporting requirements.
Originality/value: The proposed transformative CSR management model offers a tangible framework for businesses in the absence of such a framework. The main elements of the final model are the oversight and management of CSR and CSR activities, stakeholder management, intervention impact planning, stakeholder engagement, implementation, and sustainable impact reporting.

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This model can be implemented and used by various stakeholders in the business sector to accelerate tangible and sustainable socio-economic transformation in South Africa.

Keywords: Corporate Social Responsibility (CSR); business sector; social impact; social transformation; socio-economic development; transformative management model

Introduction

Since the articulation of Corporate Social Responsibility (CSR) by Bowen in 1953, an increasing number of scholars have been criticising the conventional CSR practice model, mainly due to its lack of a transformative focus (Du Plessis and Grobler 2014; Van den Ende 2004; Visser 2014). In support of efforts by the International Integrated Reporting Council (IIRC) and the Global Reporting Initiative (GRI), scholars and civil society organisations have been increasingly arguing for a move away from traditional CSR *praxis* towards a more transformative CSR model. The contemporary arguments are that CSR needs to be positioned as a core strategic component of businesses. Theorists such as Van den Ende (2004) maintain that the CSR function ought to form part of the board of directors' strategic, policy and oversight responsibility and accountability arrangements. This contestation is further supported by the fact that the South African business fraternity is encouraged to reconsider its position in the current social environment, especially regarding its social responsibility (GSSB 2016), governance and ethics (Carroll and Shabana 2010), socio-economic transformation (UNSDSN 2013), and stakeholder relations (Omrad and Dineshwar 2015; PwC 2016). This transformative CSR agenda should be driven by both a philanthropic corporate social investment (CSI) posture as well as core corporate activities of businesses.

The transformative paradigm of CSR is articulated by scholars such as Brown and Nicolaides (2015), Blowfield and Murray (2014), and Elg and Hultman (2011) as business actions that facilitate systemic, tangible changes in society. The aim of the transformative agenda is to serve three developmental priorities, namely to bring about fundamental changes in society by improving: a) the employment opportunities of the previously disadvantaged through accelerated socio-economic growth; b) innovation and skills development among the unemployed; and c) the state's capability to play a developmental role (Clark and Bassett 2016). In addition, a comprehensive statutory and regulatory framework, such as the Constitution of the Republic of South Africa, 1996, the National Development Plan (2012), the Broad-based Black Economic Empowerment (B-BBEE) Act 53 of 2003, and the Companies Act 71 of 2008, lay the ground for a renewed trajectory in the social interventions of businesses to improve the well-being of society (ANC 2017; Atal 2017).

However, empirical evidence suggests that, despite the legislative prescripts and well-intended initiatives of international and domestic organisational bodies, South African businesses' conventional CSR practices have not resulted in accelerated, tangible socio-economic change or impact (Brown and Nicolaides 2015; Sewell, Mason, and Venter 2014). The consequences of this are fourfold. Firstly, the increase in trust funds or foundations set up by businesses to manage CSR activities (Carroll and Shabana 2010; Chandler 2017) could imply that CSR practices are outsourced and, therefore, might be outside the reach and oversight of the businesses' boards of directors. Secondly, although strides have been made, it is a well-known fact that the South African government is experiencing difficulty meeting the growing socio-economic needs of society. Accordingly, the South African government developed the National Development Plan with the aim of uniting boards of directors around a shared vision and, in the process, transforming society. Non-compliance with this aim will further weaken the ability of the government to pursue a transformative agenda. Thirdly, the purpose of the B-BBEE Generic Scorecard and Codes of Good Practice is to assist government in redressing the social needs of the country (ANC 2017) by making provision for aspects of socio-economic development, inclusive of business compliance targets.

However, scholars such as Krüger (2011) suggest that the voluntary basis of compliance with these instruments leads to scant cooperation by some businesses. As per the respective sector codes, the general problem is that the primary focus of transformation in the wider business environment is on elements of the business scorecard, such as ownership, management control, employee skills development and supplier development, and minimally on the socio-economic development element (B-BBEE Commission, n.d.). As a result, the B-BBEE Commission issued a Code 000-700 notice, which sets out the general principles for measuring socio-economic development, as well as a benefit factor matrix that discourages the perpetual dependence on business alms. Lastly, evidence suggests that a significant number of businesses listed on the Johannesburg Stock Exchange (JSE) have reduced their CSR efforts to obfuscating and inadequate reporting of their CSR practices (Clayton, Rampedi, and Rogerson 2015; Mashile 2015). Clayton et al. (2015, 15) state that some businesses simply rephrase the traditional sustainability report requirements and "strategically placed this information within the integrated report to appear as if the company successfully integrated sustainability issues in the business."

Based on the contextual setting and consequences outlined above, it is imperative that businesses in South Africa adopt a transformative CSR model. Currently, there is no clear charter to guide the private sector to comply with these initiatives and requirements. In the absence of such a transformative management model, it is argued that businesses will fail to meet their socio-economic development compliance targets and that their social transformation efforts will not yield the desired results. To date, no known management model has been developed that specifically addresses the implementation and management of transformative CSR practices in South African businesses to advance socio-economic development. The purpose of this article is to report on the findings of an empirical survey conducted with a view to ascertaining key domains and elements that should be included in a transformative model for CSR. Three sectors were selected by means of simple random sampling from the top 10 highest-performing businesses in South Africa as they appear on the Forbes 2017 Global 2000 ratings. Nine businesses operating in the selected three sectors (i.e., food, telecommunications and banking) were then purposively selected as they appear on the JSE listing.

A management model for transformative CSR practices is proposed based on the triangulation of the respective datasets. Recommendations are made regarding the utilisation of the model. It is the premise of this article that theoretical applications of such a transformative CSR management model in business settings would address current practical gaps pertaining to CSR reporting and compliance deficiencies regarding international standards.

Literature Review

CSR is multidimensional in nature and largely context specific. Notions of CSR have their roots in the definition provided by Bowen in 1953 as "the obligation of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society" (Carroll 1991, 270). Hopkins (2007, 15) describes CSR as creating "higher and higher standards of living while preserving the profitability of the corporation, for people both within and outside the corporation." The International Organisation for Standardisation defines CSR as:

> … the responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparency and ethical behaviour that: a) contributes to sustainable development, including the health and welfare of society; b) takes into account the expectations of stakeholders; c) is in compliance with applicable law and consistent with international norms of behaviour; and d) is integrated throughout the organization and practices in its relationships. (ISO 2010, 6)

The array of definitions indicates that CSR lends itself to being more "expansive than accumulative" in knowledge creation (Crane et al. 2008, 4). It can, therefore, be deduced from the definitions that, firstly, CSR is an obligation of a business through the formulation of its CSR policy, and secondly, it is an obligation to contribute positively to the sustainable development and well-being of the society in its operations. Jones, Comfort, and Hillier (2010) conducted a study on the world's leading retailers' sustainability reports. It was found that retailers put forward everyday operational duties as CSR activities. These are, for example, duties whereby the retailer must assess the ecological cost of importing fresh produce such as flowers, fruits or vegetables from developing countries. The retailers then consider the profit margins, ecological cost and social benefit of importing this produce for customers. According to Jones et al. (2010, 257), these duties are then artificially put forward as CSR activities.

Since the early 2000s, there has been a relatively steady uptake of the CSR concept by businesses in South Africa. This led to the establishment of various organisations that based their founding philosophies on international guidelines set by the ISO, the IIRC and the GSSB, and on the United Nations (UN) Sustainable Development Goals (SDGs), among others (GRI n.d.; IRC 2017; ISO 2010). According to the South African Department of Planning, Monitoring and Evaluation and others, decades after the introduction of the social transformation agenda in the country to transform education, health, social welfare and skill levels, poverty indicators reveal that deprivation entrapment in many societies in South Africa continues to be a lingering reality (Cimadamore 2018; StatsSA 2017). The prevalence of misleading sustainability reports exacerbates sluggish social transformation, deprivation and poverty, and widespread distrust and corruption at different levels of business and society (Gumede 2017; Kawadza 2018).

An additional challenge in the South African retail sector is that CSR practitioners are, in most instances, located within the communications, marketing or public relations departments (Brennan 2014; Kotler, Hessekiel, and Lee 2012). This location of CSR practitioners generally results in potential cross-contamination of functions between that of brand management roles and social responsibility obligations (Masuku and Moyo 2013). This cross-contamination can also, theoretically, misinform aspects of the financial accounting sphere, resulting in potential financial irregularities (Henderson 2018; Radebe 2017).

Considering the limitations and lack of tangible social transformation of the conventional CSR practice, the amounting school of thought argues that the current CSR status quo is not sustainable. The recommendation of these arguments is, among others, that there is a need to move from the conventional CSR practice towards a transformative CSR practice in which there are greater responsibility and accountability of the board of directors and management towards stakeholder management, strategy development, policy development and oversight (Botha 2016; Gunderson, Folke, and Lee 2010; KPMG 2016; Visser 2014). In his underscoring for the move from conventional CSR practices, Visser (2014) expands on the writings of Human (2003) and others as articulated above by advocating for the radical implementation of transformative CSR practices for society to progress towards the promised "better life for all" (The Presidency 2018).

For the purposes of this article, "transformative" CSR refers to the contributions that businesses ought to make regarding the broader socio-economic prosperity and sustainable development of society in its operations. Such contributions should stem from environmental, ethical, philanthropic and economic business responsibilities and may be operationalised through technical, material, and financial support. It is anticipated that the introduction to, adoption of and adherence to the B-BBEE Codes of Good Practice (B-BBEE 2020) will usher in renewed transformative obligations, compliance, competitiveness and legislative commitment to CSR in South African businesses. These obligations and activities should be guided by a transformative management model for CSR. It is the premise that theoretical applications of such a transformative CSR management model in business settings would address current practical gaps pertaining to CSR reporting and compliance deficiencies regarding international standards.

Research Method

In terms of a qualitative case study design, document analysis and self-administered questionnaires were used as data collection methods. Pursuing a multiple case study design facilitated a comprehensive view of the retail sector, as well as the collection of data from multiple sources. The units of analysis were made up of three business sectors, namely food, telecommunications and banking. The sectors were randomly sampled through the Forbes 2017 Global 2000 ratings, and the businesses were purposively sampled from the 2017 JSE listings. The businesses were selected due to their international exposure and their explicit commitment to align their business operations with international (Forbes) and South African JSE CSR requirements. Three businesses per industrial sector were selected, totalling a sum of nine. The survey respondents were purposively sampled based on their participation in CSR or corporate social investment interventions. Table 1 indicates the sample size.

Table 1: Sampling

Business sectors (Codes)	Number of businesses	Business sector respondent code	Respondents' sample size (n=)
BS (Banking sector)	3	B1	10
FS (Food sector)	3	F1/F2/F3	10
TS (Telecommunication sector)	3	T1	10
Total	**9**		**30**

For the purposes of the document analysis, official records in the public domain were sourced from the selected businesses' official websites and qualitatively analysed. The corpus was narrowed down to official company-produced sustainability reports and any annexed or related source documents. The aim was to ascertain, through precise phraseology, if applicable, the process(es) of the transformative CSR activities and how these activities were conceived and funded. In addition, the aim was to establish any phrasing or reference to international standards, stakeholder relations mechanisms, legislative alignment, the oversight role of the boards of directors, and the interlinkage of managing the continuum aspects. In total, 24 reports were downloaded from the nine businesses' websites and categorised into the segment codes (Business Sample [BSa]-BSa1 to BSa6) assigned during the unit analysis stage.

Furthermore, the researchers made use of a self-administered questionnaire distributed to the 30 respondents. A mixture of open- and close-ended questions was posed to allow the respondents to give specific responses and provide explanatory inputs with no scale structure imposed.

Table 2: Respondent profile

Sector	Respondents' codes	Position
BS	B1 (x 10)	Branch Social Responsibility Co-ordinators
FS	F1 (x 2)	Group CSI Executive Managers
	F2 (x 3)	CSI Managers
	F3 (x 5)	Human Resource and Social Responsibility Managers
TS	T1 (x 10)	Branch Managers

The data analysis of the study was twofold, namely a qualitative document analysis of sustainability reports of the nine sampled companies and a thematic analysis of the respondents' inputs and comments in the completed questionnaires. To compare the findings and interpret the data, both manual and computerised data coding by means of ATLAS.ti (Version 9) were utilised. Thematic analysis was used to perform coding, construct categories and extract key themes from the qualitative data. In addition, the data obtained from the self-administered questionnaire enabled the researchers to transform the input and comments into datasets for the purposes of populating a transformative CSR management model.

Thematic analysis was utilised to examine how patterns emerged within and between sustainability reports as key themes representative of the "transformative" construct within the context of CSR practices. The extended notes and working theories were frequently updated throughout the analysis. Codes were highlighted (tagged) to indicate relevant points. The preliminary coding process produced 101 codes, which were eventually reduced to 27 (table 3).

Table 3: Deductive and inductive coding of qualitative data

Codes	**Categories**	**Themes**
Goal	CSR objective	CSR strategy and implementation
Outcome		
Oversight	Board	
Bill of Rights	Socio-economic development	Planning
B-BBEE SEC compliance		
Banking sector code		
King I–IV		
Stakeholder identification	Stakeholder management	
Stakeholder analysis		
Stakeholder communications		
Stakeholder interaction (matrix)	Stakeholder engagement	
Consultation dialogue		
Negotiation/compromise		
Relationship building		
Integrated Sustainable Rural Development Programme	Regulatory considerations	
National Development Plan		
Internal brainstorming	Intervention identification	Impact pathway
Intervention identification		
Intervention selection		
Stakeholder consolation		
Input steps	Beneficiation and expectations	
Setting milestones and timelines		
Social impact (effects on society)		
Milestone and impact verification		
Global Reporting Initiative	International standards	Reporting
International Framework		
United Nations SDGs		

As the first step in the pre-testing of the management model for transformative CSR practices, an abridged version of the model and an open-ended questionnaire were circulated by email (as well as hardcopies) to the same 30 respondents in the food, telecommunications and banking sectors for their input and comments. In the second step of the pre-test phase, the responses to the questionnaire were analysed using thematic analysis. The responses also served as a triangulatory validation and confirmation of the datasets before compiling the final model.

Results and Interpretation: CSR Reporting

Considering that there is an array of international and domestic standards, only the sustainability reporting footprint of the businesses sampled was analysed. Some businesses have operations in African countries that may or may not support South Africa's international standards. Where reports were issued for multiple countries, only the texts pertaining to and specifically referencing South Africa were considered. The relevant international standards were the GRI standards, the impact monitoring guidelines set out by the IIRC, and the United Nations SDGs.

The first theme probed was how the requirements of international standards were adhered to in CSR reporting and the extent to which sustainable social impact was gauged. It was found that the way the companies reported, based on international standards, was influenced mainly by the nature of their businesses (e.g., telecommunications, banking or food industries) as well as the way these businesses interpret and accommodate international standards. Furthermore, some businesses have operations in other African countries that may not fully support South Africa's international CSR standards. Where reports were issued for multi-countries, only the texts pertaining to and specifically referencing South Africa were considered.

As far as the CSR footing of their reports was concerned, the sustainability reports varied from 23 pages on average for BSa5 to 76 pages on average for BSa3 (table 4).

Table 4: Average pages per report (2017–2019)

Business sample (BSa)	**Average pages (2017–2019)**				**Business sample (BSa)**	**Average pages (2017–2019)**		
	Sustainability reports	Auxiliary reports	Combined			Sustainability reports	Auxiliary reports	Combined
BSa1	54	83	137		BSa4	48	-	48
BSa2	56	-	56		BSa5	23	1	24
BSa3	76	2	78		BSa6	46	-	46

The average page difference per company over the three years under review did not translate into more information. In some instances, as in the case of BSa4, the pages were mostly filled with pictures and extensive colour shading.

With respect to the international standards in CSR reporting and the application thereof, BSa1 used its own reporting formats for all three years under review. These formats differed year-on-year, and there was no evident continuity in the way in which the interventions were reported on. On the other hand, BSa2 stated every year under review that their reports had been prepared following the GRI standards' core elements. However, for convenience, they annually made internal adjustments to the GRI standards' requirements. Some of the reasons for adjusting the GRI standards' requirements to suit each report included that they eased the referencing, comparability, clarity and brevity of the sustainability reports. It should be noted that such adjustments are not permitted in terms of GRI103 of the compliance requirements of the standard.

Furthermore, the efforts of businesses to report on their sustainability matters need to be commented on. More than half (66%) of the businesses selected used their frameworks to report their sustainability, of which four (50%) used their in-house framework, one (17%) out of the four used the SDGs and another one (17%) a combination, over the three years, of the <IR> in one year and its in-house framework in the remaining two years under review. Based on their objectives, neither the SDGs nor the <IR> is suitable for sustainability reporting. According to the United Nations General Assembly, the SDGs ought to be seen and used as a guiding blueprint document to steer businesses to better plan for a sustainable future for all (UNGA 2017). The aim of <IR>, or the integrated reporting objective, is mostly to explain to current and potential investors or capital providers how the business, through the application of all six capitals, creates value in the short, medium and long term. Table 5 contains a summary of the main findings.

Table 5: Summary of main findings

Reporting domain	Key findings
Footing of reports	51% pages per sustainability report on average
	66% of the sustainability reports are attested by a third party
	83% of the sampled retailers published at least one auxiliary report in support of the sustainability report
Stakeholder management/engagement	100% indicated some stakeholder relation aspects
	100% made no clear distinction between stakeholder management and stakeholder engagement
Maturity analysis	83% performed some form of maturity analysis
GRI	66% used elements of the Global Reporting Initiatives
SDG	100% made mention of the SDGs
Human Rights	83% committed/pledged to uphold human rights
Corporate governance	83% indicated that corporate governance oversight measures were in place
Management vehicles	83% used different CSR management vehicles

In general, each sector's three-year analysis was almost identical to that of the preceding years. It can be concluded that South African companies continue to have, to some extent, similar application, management and social stakeholder reporting challenges. The application of the GRI standards' requirements and adherence to the intent of the <IR> and SDG elements were lacking. There was also a significant lack of articulation of forward planning of interventions. Various interventions were reported as infinity projects with no measurable lifecycle, milestones or clarity regarding their sustainability. Businesses use specific terms, such as "creating social value."

Several instances of cross-reporting and mixed reporting were prevalent regarding the legislative aspects, especially for the B-BBEE generic compliance targets. Content from the one generic scorecard element, for example, was put forward as the information pertaining to another. This was more evident under the elements of skills development and socio-economic development. Furthermore, no clear evidence could be found in the sustainability reports of how much money was contributed annually to socio-economic development or how much money was spent or carried forward over the three years under review.

The overconcentration on education potentially excludes an array of possible other transformative social interventions set out in the Bill of Rights and socio-economic developmental objectives set out in the B-BBEE Generic Scorecard. The nine selected companies' narrow focus could also potentially result in an imbalance in socio-economic development objectives. The primary key focus of all the sampled retailers also implies that there might have been limited or no stakeholder management or engagement to ascertain the material topics.

There can be no doubt, judging from the reporting, that the selected businesses adequately understood the importance of stakeholder management and engagement. What was not apparent was how stakeholders contributed to determining the material issues and how they were prioritised. Overinvesting in one social issue could unbalance the advances towards the simultaneous fundamental reduction and/or eradication of deprivation.

The social and ethics board subcommittee reports were equally limited in terms of articulating their oversight decisions. Although essential for governance, the continued emphasis on the subcommittees' roles and responsibilities in sustainability reports does not tell the reader much about their CSR oversight activities.

Reporting on the socio-economic impact requires a systematic approach. The sustainability reports of all the sampled retailers lacked material topic chronology, sustainability and impact articulation, measurability of material topics and their impacts, and CSR funding arrangements. The complexity of the multiple reports, with at times repetitive information, scattered the material information into several fragments. Other sustainability reports mixed information of the whole continent into one sustainability report, making it challenging to triangulate statutory and regulatory boundaries.

In general, the sustainability reports of all the sampled retailers lacked progressive CSR trends. In terms of some of the activities observed (such as enhancing reputation, implementing activities to favour the business, or integrating CSI and marketing) over the three years under review, it seems the impact of CSR had generally been stagnant. There was no evidence of radical social development or a concrete progression towards tangible transformative CSR practices that were beneficial to the larger society, such as setting novel communal well-being trends targeted at alleviating the spectrum of South African social problems or radical progressive changes within a community's social setting. The interventions of the selected businesses were nevertheless commended. However, instead of spending most of their CSR efforts on education, they could find a different social niche on which to focus their interventions by, perhaps, observing the CSR environment. A selection of at least three items could be made from the array of transformation areas in the governmental regulatory environment, pressure from civil society organisations or media reports on social needs.

Stakeholder management and engagement processes are valuable resources to establish material social issues. Although five (83%) of the selected businesses acknowledged the UN SDGs in their sustainability reports, their interventions lacked apparent tangible efforts to end poverty and hunger in all its forms, to ensure prosperous and satisfying lives for all (previously disadvantaged) people or to foster perceptible inclusive societies and partnerships that enable and interlink the social agenda, as envisioned by the said goals. These overall shortcomings, gaps and limitations also go against the grain of what is advocated in the CSR theoretical data.

A Management Model for Transformative CSR Practices

As part of refining the results, the applicability of the management model for transformative CSR practices was tested among sampled respondents. This process comprised three steps. The first draft management model for transformative CSR practices was sent to sampled respondents within the CSR environment for input and comments. The input obtained was then used to refine the initial (draft) management model for transformative CSR practices. After a reasonable measure of satisfaction (i.e., data saturation) had been reached, the final model was designed.

To protect the identities of the respondents, a code was assigned to each respondent in the respective segments. The questionnaire consisted of three open-ended questions based on the abridged draft management model for transformative CSR practices. The purpose of the questions was to elicit insight and pre-test the practicality of the management model for transformative CSR practices.

The aim of the first question was to determine whether the management model for transformative CSR practices was executable. All the respondents (n=30) concurred that the model was operational. FS/F2 worded his response as follows: “The model is executable since it is founded on a clear strategy and it accommodates society at large.” An interesting point was raised by BS/B1 in that “… a model directs an overall business strategy, but at a decentralised or branch level, social interventions are not necessarily restricted by a model, but rather based on the specific needs and circumstances in the area.” The aim of the second question was to determine whether there were any restrictions or shortcomings in the existing draft management model for transformative CSR practices. The responses centred mainly on the voluntary nature of the model. FS/F2, for example, articulated that “there is no law that governs this model … it is voluntary … and [the] legislature can only guide CSR.” The third question was intended to determine whether there were any recommendations for further refinement of the management model for transformative CSR practices model. Based on the input provided, the adjusted management model for transformative CSR practices (figure 1) comprises macro and micro (sub-) processes. Each macro process (A, B, C, D and E) consists of subprocesses. Critical in managing the CSR task is how the business consults stakeholders, evaluates tasks, defines objectives, organises activities, allocates resources, implements CSR, meets timelines and communicates with social stakeholders.

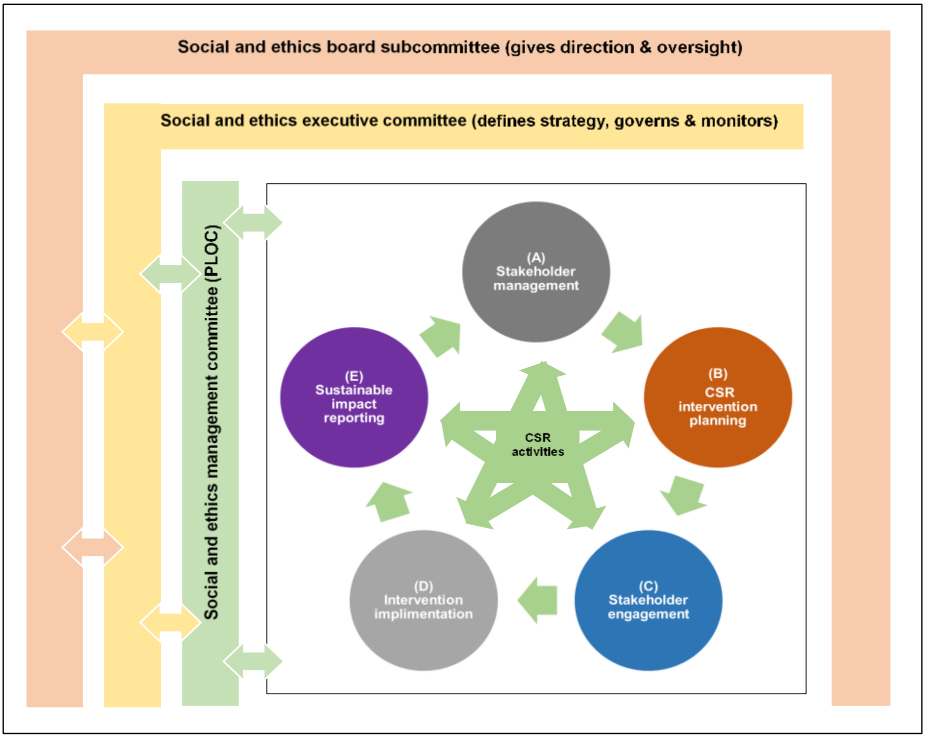

Figure 1: A transformative CSR management model

Source: Authors’ own construction

In terms of the proposed management model for transformative CSR practices, the following activities should be primarily overseen/monitored by the CSR management team and underpinned by the operational team's activities.

Corporate Social Responsibility Management Teams

The proposed management model consists of three oversight and monitoring components (outer layers). They are the social and ethics board subcommittee, social and ethics executive committee, and CSR management committee.

Social and Ethics Board Subcommittee

This subcommittee is responsible mainly for oversight and monitoring the social impact of the business's CSR, investment activities and the spend of the 1% Net Profit After Tax on socio-economic development. It is also responsible for monitoring stakeholder expectations and engagements, as well as the quality of reporting to stakeholders in line with GRI standards' requirements, particularly on the social materiality of the sustainability report. The process of monitoring and evaluating CSR interventions entails mainly a routine, scientific and systematic collection of information through the organisational structures and/or third parties to evaluate the progress and impact against set objectives. Monitoring and evaluation should start at the stakeholder engagement phase and continue until sustainability is assured; intervention is then concluded and handed over.

Social and Ethics Executive Committee

This committee is mostly a conduit between the board and management. Its role and responsibilities within the CSR realm are defining and refining the CSR strategy (with clearly defined key performance areas), overseeing and reinforcing governance, and affecting the social and ethics board subcommittee's direction.

Social and Ethics Management Committee

The CSR functions of the social and ethics management committee are, firstly, to plan, lead, organise and control resources. Secondly, the committee ought to bring together all the responsible managers to give effect to the overall activity inputs to CSR. In alignment with transformative CSR practice, the activities required for effective governance include establishing what will facilitate the adoption and institutionalisation of the needs of stakeholders; applying appropriate international standards, statutes and regulations; developing a time-bound delivery schedule based on key performance areas; overseeing the impact pathway planning, implementation, and assessment; and triangulating the CSR impact statement information provided for reporting and escalation to the board.

Corporate Social Responsibility Activities

The team executing the activities is the nuts and bolts of the CSR machinery of the business. It is responsible for consulting with social stakeholders, ensuring that the views and needs of society are heard when defining the CSR strategy and, by implication, the strategy of the business; aligning the needs of society to the country's regulatory transformation agenda; formulating policy (with clearly defined key performance areas); defining the concept of each intervention; planning the intervention pathway and its implementation; and reporting timeously to social stakeholders.

Within each element, key aspects and activities (responsibilities) need to occur for the business's CSR continuum to be effective and for tangible social transformation to be achieved. Crucial to the outcome and impact of a business's overall CSR strategy is the CSR and investment team. Its team members are on the frontline of interactions and engagements with society. These activities are outlined as follows:

Activity A: Stakeholder Management

In the CSR context, the process of stakeholder consultation needs to begin with a consideration of the material requirements of the concept, divided into three main themes: social, economic and ecological. The process starts with mapping the business's social stakeholders to better understand how the business's activities influence them and their needs. Once the social stakeholders are identified, it is essential to prioritise the social stakeholders according to their needs and the urgency of those needs in relation to the business's ability. This prioritising is by no means a reflection of the (non)-importance of that need to society, but must be seen as a reflection of the business's CSR resource capability. The stakeholder management pathway should be expressed in an outline of the planning, stakeholder identification and stakeholder analytical processes. As a separate process (Activity C), a stakeholder engagement strategy should be developed that includes communication plans and interaction consultation agreements for each power interest category.

Activity B: CSR Intervention Planning

Transformative CSR intervention is premised on the notion that the planning is partly based on a variant combination of the stakeholder need analysis, the country's transformation agenda, and the business's CSR resources. Planning the actions to meet the objective(s) of each intervention is critical to managing material issues and changing effectively and efficiently. CSR intervention planning, to a large degree, sets the basis for what the social impact would look like once the proposals are accepted by stakeholders and implemented.

For an intervention to have tangible transformative results and for adequate monitoring of the activities, the plan must include an impact pathway as a baseline planning course of action. The impact pathway elements should include, in no particular order, when, how and what changes the intervention will bring about and who will benefit from it, and clearly express the sustainability of the impact.

Table 6 sets out the impact pathway elements to be considered to determine the when, what, who and how activities of each intervention impact in the planning process.

Table 6: Impact pathway planning items and actions

I	**Implementation** Implementation is the process of turning the CSR strategy and formal plan(s) into action to realise strategic objectives and stakeholder expectations. The implementation process can also serve as an effective measuring tool for CSR interventions.
M	**Materiality and measurability** Materiality is a critical assessor of the extent of a business's transformative CSR practices. Materiality enables a business, in consultation with its stakeholders, to prioritise which material topics should be focused on in the short and/or long term and which interventions would make a low (narrow) or high (extensive) impact. These socio-economic developmental material topics should have clear objectives, indicators and milestones in order for their social impact to be objectively assessed and measured.
P	**Planning** Planning and organising refer to rationalising the CSR strategy and activities from the board level to the management and team member level. Planning includes plotting and assigning the required resources to achieve the desired strategic CSR outcome(s) and social impact.
A	**Accountability and accounting** In CSR ethics and governance, accountability implies answerability, liability and the expectation to report and give an account to stakeholders. Accounting refers to the bookkeeping and financial implications of the CSR activities that are essential for financial reporting.
C	**Citizenry and community (beneficiaries)** The social stakeholders of businesses ought to be consulted and are eligible to benefit from the operating rewards received by businesses in their milieu. Sustainable beneficiation of CSR interventions is the cornerstone of collaborative value creation through targeted socio-economic developmental impact. Communication agreements should be made with beneficiaries to align the expectations of all the parties involved.
T	**Timeline and time-bound** Infinity or open-ended CSR interventions with no timeline may be neglected because there is no sense of urgency to reach set milestones, deadlines or targets. Intervention goals should be time-bound to assist in impact measurability and for a business to be held accountable.

Source: Authors' own construction

The impact pathway facilitates clear periods of key actions. It allows for consultation with the citizenry and, based on the stakeholder engagement process, the drawing up of plans, and organising and timeously implementing the milestone objectives of each intervention. It also makes it possible for planners to consider the GRI standards reporting requirements in terms of materiality and measurability to hold businesses accountable for generic low-impact interventions and CSR financials.

Activity C: Stakeholder Engagement

Once the stakeholders have been determined and their material interests established, they can be engaged. The team must develop a stakeholder engagement strategy for each material topic adapted from leading stakeholder engagement standards such as the ISO 26000 and AA 1000SES. A continual, prompt and open stakeholder engagement approach could leverage understanding dividends and maintaining or enhancing stakeholder relations. Relations with stakeholders could lead to the opposite effect if engagements are conducted poorly.

Activity D: Intervention Implementation

The intervention implementation is dependent mainly on how CSR is structured and practised within a business. The success of an intervention is based mainly on commitment and motivation, and the relations between the business and its stakeholders or stakeholder representatives. Furthermore, the UN SDGs encourage partnerships to strengthen the means of implementation and realise sustainable development. However, the principle of transformative CSR practices proposed in the management model for transformative CSR practices remains.

Activity E: Sustainable Impact Reporting

Sustainability reporting is used by a business primarily to provide an impact statement and a comprehensive non-tautological report-back to stakeholders interested in the social, economic and ecological activities of the company. Reporting to social stakeholders should take place in clear, non-vague language, take a specific format and be circulated in written format at least once a year. The GRI standards set out the frequency and format, which provide foundational starting points in GRI 101 for a business to document and monitor its social, economic and ecological impacts. GRI 102 sets out the general disclosure reporting requirements on relative information about the business and its reporting practices. In addition, a social impact statement could assist managers in reporting more accurately on the social impact. Although the report-back guidance by the GSSB (2016) is mainly non-financial, there is an increase in advocacy and trends in parts of the world to report CSR financials within the sustainability report in a non-accounting but easy-to-summate format.

Recommendations for the Application of the Transformative CSR Management Model

The following recommendations serve as guidelines for transitioning to transformative CSR practices for businesses in South Africa.

To enhance oversight and management, the board should consider—instead of reporting on its legislative roles and responsibilities—setting out in detail its CSR objectives or priorities for a specific period based on social material issues advanced by the executive. It is, therefore, suggested that the executive CSR management team should translate those objectives or priorities into a CSR strategy. The social and ethics management committee should set out the transformative CSR impact pathway outlining key performance indicators and milestones for those strategic items to be actioned.

It is evident that stakeholder management serves as the driver of the transformative CSR impact pathway. It is, therefore, essential that businesses identify and consult stakeholders to ensure that those eligible to benefit from the financial rewards of a business are reached. Furthermore, sustainable beneficiation of CSR interventions is the cornerstone of collaborative value creation through targeted socio-economic developmental impact. This is especially prudent because the current researchers could not ascertain how all the sampled business sectors came to focus most or all of their investments in one social issue, namely education. In addition to the material issues sponsored by society, a selection of at least three items could also be made from the array of guiding transformation areas in the governmental regulatory environment, outcries from civil society organisations, or media reports on social needs. It is recommended that greater intra- and inter-sector consultation take place. Considering sensitivities regarding competitive advantage, businesses should create social compacts based on the identification of common material issues and find common ground in collaborating to achieve a common socio-economic objective.

In addition, the empirical findings revealed that a community articulated and appraised its understanding of decision making and the fairness of the implementation of an intervention through public discourse. It was also established that, by continuously engaging social stakeholders, a business could gauge the perceived impact of the implementation and the social changes the ongoing activities in a community revealed. Moreover, to maintain and build legitimacy, it is important to inform and include social stakeholders prior to and during the implementation of a CSR intervention. Therefore, it is recommended that—both during and after the implementation of a CSR intervention—a business CSR team should pay close attention to the ongoing changes and impacts of the intervention on the community by continuously engaging stakeholders.

It is evident that business planning and balanced judgements are done for specific periods to create short-term (0–5-year) and long-term (6–10-year) wins. It is, therefore, recommended that businesses should enhance and align their CSR impact planning with general business planning practice to address multiple socio-economic developmental ills over differing periods simultaneously.

Sustainability reporting should follow a sequence of events. It is becoming a trend for companies to reveal how much money was contributed to CSR in a specific financial year under review, how much was brought forward from the previous year and how much would be carried forward to the next year. It was also found that sustainability reporting principles were clearly articulated in the GRI standards. When mixed, diluted or incorporated with other standards, the use of the said standard becomes non-compliant. Therefore, it is recommended that the GRI standards be applied as sustainability reporting documents in chief to allow for inter- and intra-industry CSR practice evaluation and measurement.

The literature review revealed that an impact statement was a valuable complementary tool to include in the sustainability report to set out the reason for the need/problem to be addressed, the response of a business, the progress or results, and how the results would be sustained in the future. Moreover, the focus of an impact statement should be less on the report-back on the business's CSR activities, but rather on the social outcomes or impacts. It is, therefore, recommended that businesses provide an annual chronological impact statement within their sustainability report on the progression of specific interventions, setting its intended objective over a five- or 10-year period.

Conclusion

Conventional CSR practices are increasingly criticised due to their lack of a transformative focus. In addition, existing CSR reporting practices do not fully comply with international and national reporting requirements. There is, thus, a need to adopt a more transformative CSR model that should be positioned as part of the core strategic component of business. The transformative agenda should serve developmental priorities, such as bringing about fundamental changes in society by increasing the employment opportunities of the previously disadvantaged through accelerated socio-economic growth, improving innovation and skills development among the unemployed, and improving the state's capability to play a developmental role. The purpose of this article was to make a tangible contribution in this regard by proposing a transformative CSR management model to guide businesses towards national and international policy and reporting compliance. The model was designed based on the triangulation of data obtained from nine businesses representing three industrial sectors. Recommendations were also proposed for the utilisation of the model.

Similar studies should be conducted to test the applicability of the proposed management model to transformative CSR initiatives in other business sectors. In addition, research should be conducted to explore the specific linkage between socio-transformative issues and CSR, especially to assess whether business CSR interventions over the shorter and longer terms achieve the desired tangible, sustainable social impacts envisaged by the legislative, regulative and government policy agenda.

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