INTEGRATING CORPORATE SOCIAL RESPONSIBILITY IN THE "BIG FOUR" PROFESSIONAL CONSULTING FIRMS IN SOUTH AFRICA

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DECLARATION

I, Richard Kibuuka declare that this research report is my original work and all references used have been accurately reported and acknowledged.

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ABSTRACT

The objective of this research report is to understand how the "Big Four" Professional Consulting Firms integrate Corporate Social Responsibility (CSR) into their operations in South Africa. The "big four" Professional Consulting Firms are involved in the financial services sector and provide auditing, accounting, tax, and other business advisory services.

In reaching the objective of the study, specific areas were investigated, how Professional Consulting Firms depict CSR, how they integrate CSR, and how they monitor and report on CSR initiatives. Four firms were selected for the study, three participated in the research and one declined.

The conclusions drawn from this research are that the PCFs studied consider CSR to be an integral component of their business operations, and undertake the reporting function primarily to inform their stakeholders of the nature and type of CSR initiatives they have undertaken. Furthermore, there is consensus that the involvement and support of executive and top management is crucial for the creation of enabling internal environment, which is conducive for the incorporation of CSR into the entire firm.

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Chapter One: Introduction

1.0 Overview

This first chapter will provide a brief background and origins of the concept of Corporate Social Responsibility (CSR) as we know it today. Also outlined is the purpose of the study, research questions and finally limitations of the research.

1.1 Origins of Corporate Social Responsibility

"Historical perspective offers knowledge that produces not dogmatic certitude but diagnostic skill, not clairvoyance but insight". Schlesinger, 2003:1.

According to the Centre for Business Relationship, Accountability and Sustainability (BRASS) in the UK, antecedents of corporate social responsibility can be traced back almost 5,000 years. In ancient civilisations such as those in Greece and Mesopotamia, enacted laws that imposed punitive measures to businessmen, builders and farmers whose employees died as a result of the formers' negligent conduct.

The concept of Corporate Social Responsibility (CSR) as we today was developed in the United States of America after the traditional or classical economic model, Carroll and Buchholtz, 2000. The main point of departure from the economic model was Adam Smith's concept of the "invisible hand". The classical view held that a society could determine its needs and wants through the market place and if business simply responded to these demands, society would indeed get what wants of business. In return, business would be rewarded on its ability to respond to the demands of the market (society) and the self interest pursuit of profit would necessarily result in what society getting what it wants. Although, the market decided what goods and services were to be produced, it did not ensure that business always acted fairly and ethically in the pursuit of providing for the market. This state of affairs, later called for laws to be enacted to constrain business behaviour, which changed society's expectations of business from being purely economic to encompass all the other aspects that had previously been at the discretion of business. (ibid).

Modifications to the classical economic model, introduced three areas, namely philanthropy, community obligations and paternalism. From a philanthropic perspective, business made contributions to charity and other worthy causes, whereas the aspect of community obligations entailed business contributing to the improvement, beautifying and upliftment to the greater external environment in which it operated. (ibid).

Paternalism emerged in the later part of the nineteenth century, in many forms and introduced the policy of business protecting employees while exerting considerable control over their activities. The advent of large corporations in the late 1800s and the moving away from the traditional view paved way for corporates to evolve from the economic structure of minute, ineffective firms governed by the marketplace, to sizeable corporates with a considerable power base. This era marked the beginning of the concept of business responsibility towards society.

The 1950s marked a period during which the concept of corporate social responsibility (as we know it today) received greater acceptance and broadened in meaning, beginning with Howard R. Bowen-"the father of CSR", Carroll, 1999. This period marked a shift from viewing corporate responsibility as mere awareness of social and moral concerns to emphasing specific issues, such as environmental protection, ethical behaviour, affirmative action and employment equity.

1.2 Purpose of the Study

The study will investigate how the "big four" Multinational Professional and Consulting Firms (PCFs), namely Deloitte, Ernst & Young (E&Y), KPMG and PricewaterhouseCoopers (PwC) embrace CSR in contemporary South Africa. This will be achieved by investigating how each of these firms perceive and interpret the concept of CSR, how each firm integrates CSR into its operations and how they monitor and report on the same.

Since there is evidence of conflicting information on how these firms perceive CSR and there are no absolute guidelines developed for the incorporation of CSR into their operations, the research will attempt:-

1. To understand how PCFs integrate CSR into their operations.

In an attempt to develop a deeper understanding of how PCFs integrate CSR concepts into their operations, the research will explore;-

- How PCFs depict CSR;
- Integrate CSR;
- Monitor and report on their CSR initiatives.

1.3 Limitations of the Study

Although the research will investigate how PCFs integrate the concept of CSR, the study will concentrate on how these firms undertake the same in South Africa and does not consider nor attempt to take neither a global nor a sectoral perspective. As such it may suffer from a degree of South African bias, given the fact that all the interviews and discussions will be conducted in South Africa.

In addition to the above, the study will concentrate on the research purpose and will attempt to answer the formulated research question, and will be limited on how the "big four" multinational Professional Consulting firms (in the accounting and auditing disciplines) integrate CSR into their operations in present day South Africa, (from 1994 to current), furthermore, the study will be conducted from a firm perspective.

Chapter Two: Literature Review

2.0 Overview

This chapter will provide a problem statement, summary of relevant literature applicable to the research area and the CSR topic. Also covered will be the different definitions and approaches to CSR, followed by literature on how the four PCFs independently integrate, monitor and report on their respective CSR initiates.

2.1 Problem Statement

At first glance, it may seem difficult to understand the relevance and importance of corporate social responsibility for Professional Consulting Firms (PCFs). This is because by virtue and nature of the activities that they engage in, PCFs have very little public interface, very limited environmental impact, few concerns of human rights violations or product safety. Then surely, PCFs should be the last business sector to be concerned of engaging in CSR activities or for that matter to come under the CSR spot light. Then, why is important for PCFs to embrace CSR into their operations?

The topic of social corporate responsibility and commitment to the same is becoming more and more of a business imperative not only in South Africa, but world over. According to available data (both quantitative and qualitative), there is an ever increasing body of evidence that supports the notion that being socially responsible has a positive impact on the business economic performance.

The "big four" PCFs are historically white owned with very little black shareholding and as such, they have a pressing need to re-align their business models to embrace all aspects of corporate social responsibility. Although up until now, the involvement in CSR activities has been on a voluntary basis, the South African Government is starting to enact various legislation and charters that will "punish" those firms that do not conform. Of particular relevance to the PCFs is the Accounting Charter and the Employment Equity Act which prescribe the number of Africans, Coloureds and Indians (ACIs) that need to be recruited and trained by the PCFs. For those firms which do not conform in the prescribed period and manner, the provisions of the charters and legislation specifically provide for the exclusion of such firms from bidding and winning government contracts.

The issue that now arises is the definition of corporate social responsibility and its components. Globally, CSR is perceived differently. In some parts of Africa, CSR is perceived as a strong correlation between corporate social profitability and social improvements, whereas on other continents, corporate social responsibility may be defined as creating value for shareholders, caring for the physical environment, donating to charitable organisations, provision of safe or working conditions.

From the above, it is clear that there is no common consensus on the meaning and definition of the term "corporate responsibility" and what the definition implies for management operationally. This poses an insuperable problem because corporates vary in many aspects such as size, operational requirements, type of products and services provided, their impact on society and industry in they operate, etc. Because of these variations, ways in which corporates embrace and practice social responsibility may also vary.

The next question that arises is whether there are absolute areas in which all firms must be responsible. Yes, there are and these emanate from the legal aspects of the social contract. As the research will show, CSR goes beyond simply abiding with the requirements of the law. In the sphere of activities over and beyond abiding by the legislative requirements, the various corporate variables[1] become more relevant.

In South Africa, the democratic government still faces many challenges left behind by the legacy of apartheid. PricewaterhouseCoopers, 2004. Making a positive difference, *Connecting with our stakeholders, Sustainable Report South Africa.* The government faces a myriad of social issues, which government alone cannot resolve. These issues however, need to be embarked upon and resolved, though neither government alone nor a single corporate can bring about the desired change and solution to these issues. It will therefore take a joint effort between government and business to play a facilitating role in bringing about the upliftment in a standard of living for all South Africans. Business can play a crucial role in the creation and distribution of wealth, in this regard corporates can greatly contribute to the re-addressing of the legacy of apartheid in South Africa by formulating and implementing CSR programmes that will lead to an improvement in the standard of living of all citizens.

The spate of recent corporate scandals locally and abroad, has focused attention on the sustainability of a business and accountability, PricewaterhouseCoopers, 2004. Making a positive difference, *Connecting with our stakeholders, Sustainable Report South Africa.* The sustainability issues, these corporate governance scandals touched are related to the board of directors and their lack of respect to their employees, shareholders and to a wider range of stakeholders. The effects of such behaviour have resulted in bankruptcies and job losses that destabilise economic and social pillars in our society. PCFs such as the "big four" have also been forced to re-align their business strategies with the increased demands on business for the improved corporate transparency and the integration of the principles of sustainable development into their core functions.

[1] Variables refer to the unique characteristics of the firm such as size, operational requirements, type of products and services produced, etc.

Guidance to the concept of corporate social sustainability in the South African context, is provided by the King II Report, which points out that a company is a key component of modern society and often has more immediate presence to citizens than the state and hence corporate activities do not only affect shareholders, but also shareholders. The challenge that corporates face in meeting and fulfilling social sustainability is to balance performance and compliance while taking into account stakeholders' expectations. Sustainable development is enhanced through good governance.

Social sustainability can be evaluated with reference to the proactive responsibility of the Board, risk identification and management, sustainable utilisation and conservation of natural resources, continual reduction in negative impacts, protection and rehabilitation of the environment. As part of compliance, corporates have to continuously monitor and report their performance in regard to the above matrices.

Environmental sustainability requires corporates to develop strategies that measure and monitor corporate activity on the impact of the environment in which they operate. In order to contribute to the sustainability of the environment, corporates need to implement systems that promote the sustainable use of resources. Environmental sustainability can be evaluated in reference to a number of matrices, such as risk identification and management, sustainable utilisation and conservation of natural resources, continual reduction of negative impacts and reporting and monitoring of performance of all the above.

Economic sustainability is also referred to as financial performance and should reflect the short-term and long-term growth prospects of the firm. It is evaluated with reference to corporate governance, production protection, employee satisfaction, economic risk identification and management and economic accounting.

It is also important to examine the reasons to why PCFs engage in CSR initiatives and programmes. A recent publication by PwC on corporate social responsibility, pointed out that, the importance of CSR is not just a matter of public relations positioning, but does indeed affect the firm's profitability. The firm's social reputation has much to with the ever increasing value of the firm's brand, which is an important component of the firm's value. Initial research has also indicated that these firms view CSR as an integral component of the firm, which is inextricably linked to their business strategy and performance. It is managed at executive level and encouraged throughout the firms.

It is for the reasons stated above that, policy makers in PCFs should consider creating internal enabling environments that will foster the integration of CSR in their operations and moreover, since government is by far the biggest spender in any economy, PCFs cannot afford to overlook government as a potential customer due to their non compliance.

2.2 Defining the Corporate Social Responsibility Concept.

The concept of Corporate Social Responsibility (CSR) as we today was developed in the United States of America after the traditional or classical economic model, Carroll and Buchholtz, 2000. The main point of departure from the economic model was Adam Smith's concept of the "invisible hand". The classical view held that a society could determine its needs and wants through the market place and if business simply responded to these demands, society would indeed get what wants of business. In return, business would be rewarded on its ability to respond to the demands of the market (society) and the self interest pursuit of profit would necessarily result in what society getting what it wants. Although, the market decided what goods and services were to be produced, it did not ensure that business always acted fairly and ethically in the pursuit of providing for the market. This state of affairs, later called for laws to be enacted to constrain business behaviour, which changed society's expectations of business from being purely economic to encompass all the other aspects that had previously been at the discretion of business. (ibid).

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According to N.J. Mitchell, 2001, the evolution of corporate social responsibility was particularly philanthropic, developed by American business leaders as a response to the antibusiness fervour that emerged in late 1800s and early 1900s. Business leaders also came to realise that through public opinion, government could intervene in the economy, and thus there was a need for an ideology that endorsed corporates as a force for social good.

The 1950s marked a period during which the concept of corporate social responsibility (as we know it today) received greater acceptance and broadened in meaning, beginning with Howard R. Bowen-"the father of CSR", Carroll, 1999. This period marked a shift from viewing corporate responsibility as mere awareness of social and moral concerns to emphasing specific issues, such as environmental protection, ethical behaviour, affirmative action and employment equity.

K. Davis and R. Blomstrom, 1996, provide another definition of CSR, "Social responsibility is the obligation of decision makers to take actions which protect and improve the welfare of society as a whole along with their own interests". This definition introduces two important aspects of CSR, namely protecting and improving. Through protection, business undertakes to desist from practices that will negatively impact society. Through improvement, business endeavours to engage in activities that would benefit society positively. This definition also contains indistinct terms that are subject to different interpretation by business and corporates when it comes to translating the CSR concept into operational strategies.

Yet another definition by J. McGuire, 1963, attempts to define the concept of CSR. McGuire states: "The idea of social responsibility supposes that the corporation has not only economic and legal obligations, but also certain responsibilities to society that extend beyond these obligations". Although this statement is quite general, it does however, acknowledge the importance of corporate economic objectives alongside legal obligations, while addressing a broader concept of the firm's responsibilities.

A definition by E. Epstein, 1973, highlights management's concern with stakeholders and ethics. "Corporate social responsibility relates primarily to achieving outcomes from organisational decisions concerning specific issues or problems which (by some normative standard) have beneficial rather than adverse effects upon which pertinent corporate stakeholders. The normative correctness of the products of corporate actions has been the main focus of corporate responsibility." This definition introduces the concept of outcomes or products which are resultants of corporate activities that accrue to stakeholders.

Archie Carroll's four part definition outlines the types of social responsibility "areas" that a business has namely economic, legal, ethical and philanthropic responsibilities. This definition emphasises both the legal and economic expectations of business to social concerns[2].

Economic responsibilities are primarily aimed at business making a profit through the provision of goods and services to society at a "fair" price. The legal responsibilities require business to operate within the framework of laws and rules as sanctioned by society.

Legal responsibilities reflect the view of codified ethics. Ethical responsibilities encompass norms, standards and expectations that are not necessarily codified into law, although they embrace activities and practices that are expected or prohibited by society. These norms reflect what the various stakeholder bodies and community regard as just and moral. Ethical responsibilities are constantly under scrutiny by the public and as such are difficult for business to agree upon.

The fourth responsibility is philanthropic; this "type" of responsibility is viewed as purely discretionary on part of business. They are not mandated by law and not generally expected of business in an ethical sense. Here, a distinction has to be made between ethical and voluntary (philanthropic) responsibilities. Philanthropic responsibilities are not generally expected of business in a moral sense, although it is desirable for business to participate in philanthropic activities in order to be viewed as a good corporate citizen.

A. Carroll and K. Buchholtz, 2000, summarise CSR as: "The social responsibility of business encompasses the economic, legal, ethical and philanthropic expectations placed on the organisation by society at a given point". This definition considers each of the four categories as one facet of the total social responsibility of a business. It follows then that business can only meet its social

[2] Concerns refer to ethical and voluntary responsibilities.

obligation by engaging in activities, practices and programmes that simultaneously fulfil all four components mentioned above.

From a managerial and practical point of view, the four part definition, a socially responsive firm will always strive to make a profit (economic), operate within the legal framework (Legal responsibility), be ethical (ethical responsibility) and be a good corporate citizen (philanthropic responsibilities). The Four Part Model of Corporate Social Responsibility the cornerstone in the theoretical development of CSR and provides a holistic and structural definition of the principle components of CSR. This definition presents a stakeholder perspective to corporate responsibility in terms of the varying priorities in which stakeholders are affected.

2.2.1 Activities of Corporate Social Responsibility

According to Johnson and Scholes, 1999, corporate social responsibility from a firms' point view is constituted of two distinctive aspects, namely internal and external activities. Internally focused activities, are concerned with employee welfare such as working conditions, enhancing working surroundings and extended sick leave. These activities are specifically aimed at enhancing the employees' job satisfaction rather than the firms' economic efficiency. External activities include issues such as product safety, conservation of resources and pollution control.

Sen and Bhattacharya, 2001, cite six corporate social responsibility areas; Community Support, Diversity, Employee Support, Environmental, Non Domestic Operations and Product Safety. Community support activities revolve around support for arts and culture programmes, education and innovative giving. Diversity activities are concerned with race and gender, sexual orientation and family issues both in and outside the firm. Employee support generally involves issues pertaining to employee welfare, such as job security and profit sharing. Environmental activities require the firm to refrain from engaging in activities and practices that are detrimental to the physical environment. Non domestic operations are concerned with overseas labour practices, whereas, product issues revolve around safety, R&D and anti-trust disputes.

2.2.2 Identifying Key Stakeholders

"Stakeholders are those individuals or groups who depend on the organisation to fulfil their own goals and on whom, in turn the organisation depends", Johnson and Scholes, 1999, P.213. Stakeholders for PCFs include employees, partners (stockholders), clients, regulators, competitors, suppliers, society and media. These different groups of stakeholders usually have conflicting claims and expectations of the PCFs. Despite the varying needs and expectations of the stakeholders, key to the successful implementation of CSR policies and initiatives in the organisations is dependent on the latter's ability to form and maintain good relationships with all the stakeholders groups. The inclusion of stakeholder groups in and informing the same of the firm's CSR initiatives creates an atmosphere of trust and provides an opportunity of feedback on how the groups perceive the firms' CSR initiatives.

2.3 Integrating Corporate Social Responsibility

There are various options on how firms can integrate corporate social responsibility into their operations, these options are as a result of factors such as the firm's size, sector, culture and the commitment to leadership. Some firms may opt to focus on a single area, while others may aim to integrate the corporate social responsibility vision throughout their operations. These strategies, policies and practices are however not absolute, but merely provide guidelines. Below are some commonly cited guidelines to integrating CSR;-

2.3.1 Communication

Francesco and Gold, 1998, define communication as a process of transmitting thoughts or ideas from one person to another. From this statement therefore, it seems that the communication process can play a vital role in informing both internal and external stakeholders of the firms' CSR initiatives and strategies. Communication medium from a firms' perspective can take form of publications, reports, corporate mission and values statements. In order for the communication process to be effective, "two-way" communication should be possible, whereby the sender encodes the message and transmits it to the receiver who in turn decodes the message and creates some understanding of it. Jose and Thibodeaux, 1999, point out that leaders coupled with open communication channels can play a pivotal role in institutionalising CSR.

2.3.2 Management Structures

The objective of a corporate social responsibility system is to integrate the same into the firm's values, culture, operations and business decisions at all levels within the firm. A. Carroll, 2001, points out that moral leadership and top management that understand elements of CSR and how to implement it in organisations are key factors for success for any firm that attempts to be a good corporate citizen. Warhurst and Mitchell, 2000; Waddock et al. ,2000 also urge that identifying and prioritising the various CSR related issues into an integrated strategy, which has the commitment of executive management, is an important prerequisite for an effective response.

Numerous firms have embarked on assigning responsibility of identifying CSR issues, evaluating the same and developing structures for the long term incorporation of social values across the entire firm to CSR boards, executive level committees or a single executive. The importance of social responsibility leadership is chiefly to clarify and make explicit the dimension of social responsibility and how these affect everyday business and decision making, as well as to formulate and justify principles and functions in relation to this, Jose and Thibodeaux, 1999. It also seems that there is no single universally accepted methodology for designing a CSR management structure and advise that every firm should follow a process that allows it to design a management structure that aligns the firm's mission, size, sector, culture, business structure and geographic locations to the level of CSR commitment.

2.3.3 Corporate Culture and Mission

Corporate Culture

Thompson and Strickland, 2001, define corporate culture as an organisation's policies, practices, traditions, philosophical beliefs and ways of doing things. Thus by reshaping of norms, traditions and decision making processes and climate within an organisation can be one of the starting points when setting a social responsibility tone for any organisation, Desai and Rittenburg, 1997.

Mission Statement

Johnson and Scholes, 1999, define a mission statement as a "generalised statement of the overriding purpose of the organisation. Therefore a mission statement sets direction for the organisation and defines what the business of the organisation is, putting the organisation on a strategic path, and making a commitment to follow that path, Thompson and Strickland, 2001.

Cultural Values

Organisations do recognise that corporate social responsibility cannot flourish in environments where innovation and independent thinking is not welcome. Therefore, there must also be commitment to close the gap between what the company says it stands for and the reality of actual performance, Desai and Rittenburg, 1997.

Corporate Culture, mission and cultural values corporate social responsibility

If corporate social responsibility is to be regarded as an integral part of business decision making, it merits a prominent place in a company's core mission, vision and value statements, Desai and Rittenburg, 1997. The importance of these simple statements is that they succinctly outline organisational goals and aspirations, they provide an insight into the company's values, culture and the strategic intent for achieving its aims. So, mission and vision statements of a socially responsible organisation will make reference to a purpose that is beyond "making a profit" or "being the best", and specify that it will engage in ethical and responsible business practices, and will seek to make decisions that create a balance between the needs of its key stakeholders (shareholders, owners, employees, customers, suppliers and society) and the natural environment.

Corporate Governance

Numerous organisations have taken the option of establishing ethics and /or social responsibility committees of their boards to review strategic plans, assess progress and offer guidance about CSR issues of importance. In addition, some organisations have tasked CSR committees and boards to draft guidelines governing organisational CSR policies and practices around issues such as independence, terms, board diversity and compensation.

Strategic Planning

A number of organisations are beginning to integrate CSR into their long term planning processes, identifying specific goals and measures of progress or requiring CSR impact statements for any major company proposals, Griffiths and Petrick, 2001.

Enabling Internal Environments

Griffiths and Petrick, 2001, state that in order for companies to embrace CSR, they must create structures that effectively can internalise the information needed to meet regulations and standards. In this regard, they propose three team-based organisational architecture that will truly enhance the firm's ability to be responsible; network, virtual and communities of practice organisations.

Network Organisations: They rely heavily on the skills, abilities and knowledge of employees. A common feature is that decision making is put at the centre of the organisation, whilst autonomy is ceded to smaller independent units. This organisational structure is most suitable for fostering CSR in an organisation, because of its ability to rapidly respond to fluctuations in market conditions and promote open communication and free flow of information.

Virtual Organisations: Can be applied to several levels within an organisation and can be used solemnly for a specific function or project. This organisational architecture can support CSR through its recognition for limited projects, where organisations can assign resources both internal and external, to address or resolve specific issues relating to CSR.

Communities of Practice: Have a fluid structure and are held together through areas of common interest or expertise. Communities of Practice structure can provide a vehicle, through which an organisation can collect, interpret specialised knowledge which can be transformed into innovative solutions. The ability to foster the use of specialised knowledge can be advantageous in the development of CSR initiatives.

Corporations that have specific architectural processes that capture and make use of CSR that is integrated into strategic decision making and rapidly respond to CSR opportunities and threats will demonstrate corporate sustainability than those without such architectures (ibid).

The role of Corporate Social Responsibility Boards / Departments/ Committees

One way that management can demonstrate the importance of CSR in an organisation is by developing a special unit, department or board that is devoted to the handling of CSR issues. According to Bateman and Zeithaml, 1990, the role of CSR Boards, Departments and Committees is to monitor key events and trends in the environment in which the firm operates and to address their impacts on the firm's operations. Some of CSR activities that can be pursued by CSR departments as cited by Bateman and Zeithaml, 1990, include, the identification of important developments in the political, economic, social and technological environments, to coordinate the firm's contributions to the community, and to communicate causes / initiates that the firm is promoting by sending out newsletters to employees, local citizens, shareholders and customers. The key task of CSR department or committee is to recommend appropriate corporate response and the implementation of corporate social responsibility strategies.

CSR Boards/ departments/ committees as an internal reference group have more impact on organisational behaviour than external ones and can provide an important support structure in the implementation of social responsibility in the firm, Desai and Rittenburg, 1997. The role of CSR committees in firms is to direct and spread CSR awareness in the entire firm, as well as to analyse and work with cross cultural problems in different subsidiaries (ibid).

Karake- Shalhoub, 1999, urges that CSR committees serve two distinct functions within a firm. They can lend legitimacy to the consideration of a social and ethics agenda at the highest level of the firms' decision making and can act as communication vehicles to both external and internal stakeholders of the firms' commitment to social and ethical principles of conducting business.

Kaptein, 1998, points out several roles that can be undertaken by CSR committees, these roles range from that of being initiators, co-ordinators, advocates, facilitator to being mediators. When the committee assume an initiator role, it stimulates CSR and becomes the driving force behind the development and integrating social responsibility within the firm. They coordinate activities in regard to CSR management as well creating cohesion of activities undertaken.

As advocates, CSR departments can follow policies both critically and positively and the committee's job is to think and raise the right questions regarding social responsibility. A facilitator role will require the CRS Committee to identify pre-conditions necessary for the implementation of CSR within the firm (ibid).

2.4 Monitoring and Evaluating Corporate Social Responsibility

There are several alternatives and methodologies that firms can use to measure and monitor their CSR initiatives. These range from standards, audits, evaluation and reporting systems to measuring standards.

2.4.1 Standards

Standards are useful statements of how business should be carried out as well as a measuring tool, Zadek, 2001. In this regard, Zadek, 2001, makes reference to a "Standard Spectrum" comprising of five categories;-

Mandatory Legislation; This form of standard is enforced by law or is established by legislative means. Compliance to the same is forced and cannot be ignored nor questioned. The creation of mandatory standards may be as a result of a negotiation process and in some cases may lead to standards that are less rigorous than the business practice.

Non Mandatory Legislation, Private external screening and Voluntary codes; These standards are voluntary as a result the careful management of the same is essential, since there is a risk of being perceived as confusing and may lose their intended purpose. Voluntary standards may also be a source of conflict within organisations, since members may oppose established standards. Non mandatory standards legislation, Private external screening and Voluntary are found in the middle of the standard spectrum.

Leadership Benchmarking; According to a definition provided by Little Oxford English Dictionary, the term benchmarking refers to a standard or point of reference. With this definition in mind, Leadership benchmarking will only occur when a firm establishes leadership of quality, which makes it difficult for other firms not to follow if their effort are to be taken serious, Zadek, 2001. The inherent competitive nature of leadership benchmarking may lead to an acceleration of standards.

2.4.2 Measuring and Reporting CSR

Holland and Gibbon, 2001, state that organisations measure and report their activities in order to be accountable to their stakeholders, and motivation to do so reflect the firms' ethical stance and value systems.

There is no agreed measurement system and absolute benchmarks in existence for measuring, evaluating, and reporting CSR, some commonly used examples include, the Global Reporting Initiative (GRI), The Caux Round Table (CRT), Social Accountability 8000 and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. A CSR Measurement Model developed by Prof. Donna Wood is based on three levels, namely, the principles of social responsibility, the processes of social responsiveness and the outcomes as they relate to the firm's societal relationships.

Global Reporting Initiative (GRI): Originates from the Coalition for Environmentally Responsible Economies (CERES) and outlines guidelines on sustainability reporting for companies. The guidelines create a framework that highlights a connection between three pillars, namely, environmental, economic and social performance. The GRI framework attempts to identify issues that can be reported in a standardised manner. The core mission of the GRI is to maintain, enhance and disseminate guidelines through a process of ongoing consultation and stakeholder management.

Social Accountability 8000 (SA 8000): Was developed by the Social Accountability International, a watchdog organisation that addresses consumers' concerns about working conditions. Its purpose is to establish a standard for workplace conditions and a system for independent verification of compliance with the standard, Social Accountability International, 2002) The SA 8000 addresses nine areas: Forced labour, Child labour, Compensation, Discrimination, Discipline, Working Hours, Management systems, Free

Association and collective bargaining, health and safety. This standard specifies requirements for social accountability in order to enable a company to develop, maintain, and enforce those issues it can control and demonstrate to stakeholders that its policies and producers are indeed in line the requirements of this standard.

The Caux Round Table (CRT): Promotes principled business leadership and belief that the same has a crucial role in identifying and promoting sustainable and equitable solutions to key global issues affecting the physical, social and economic environments. The CRT comprises of executive business leaders from Europe, Japan and North America and is based in Caux, Switzerland. It has produced "Principles of Business", a document that seeks to express an international standard for ethical and responsible corporate behaviour for dialogue and action by business and leaders worldwide.

Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises: These are guidelines addressed by governments to multinational enterprises and voluntary principles and standards.

Level 1: Principles of social responsibility: The application of these principles is institutional, based on the firm's basic obligations as a business organisation and specifies what is expected of the same.

Level II: Processes of social responsibility: Comprises of the capacity of a business to respond to social pressures. In order to survive, the firm must be able to collect and analyse data and must be able to react to the results of the analysis. This level consists of three elements; *Business environment scanning* consists of information gathering and transmission of information gathered throughout the firm, *Stakeholder management* involves the mapping of relationships of stakeholders to the firm, whilst finding, listening and meeting legitimate expectations. *Issue Management* involves the identification of main issues that concern stakeholders.

Level III: Outcomes: The main focus of the CSR model is to determine whether "CSR makes a difference". This implies that all stakeholders relevant to an issue must be included in any assessment of performance. There are three main categories; - *Internal stakeholder effects* are those that affect stakeholders within the firm. By examining the same might show how corporate codes affect day- to-day decision making of the firm with reference to social responsibility. *External stakeholder effect* concern impact of the firm's activities on persons outside the firm and are mainly concerned with issues such as the effects of community related philanthropy, the negative effects of a product recall and the effects of toxic waste disposal. *External institutional effects* refer to the effects upon the larger institution of business rather than on any particular stakeholder group.

As is the case in the measurement of CSR, there are no absolute mechanisms that a firm can use to monitor and report on its social performance. Commonly used is the Ethical and Social reporting. In addition, there is a vast array terminology that is used to describe the type of reporting, commonly used terms include, "social audits", "ethical audits" and "social performance reports". According to Starkey and Welford, 2001, there is also disagreement on what the terms imply and the differences between them.

Despite the fact that there is no standard social report that a firm can report on specific elements of performance, commonly used ways of reporting are;-

Social Audits; Provide an external examination of the firm's social performance;
Sustainability Reporting; Attempts to reflect the integration of social, environmental and economic performance.
Stakeholder Reporting: Outlines to stakeholders how the firm is meeting stakeholders' expectation in an attempt to remain a good corporate citizen.

Statement of Principles and Values; This involves a statement of responsibilities.

Social Balance; Outlines financial analysis across stakeholders.

Chapter Three: Frame of Reference

3.0 Overview

This chapter, will define the frame of reference based on the literature survey outlined in chapter two, this will be achieved by interrogating the current theories on the topic. This chapter will also provide the conceptual framework that will guide the collection and compilation of relevant data to be used in answering the formulated research questions and thus assist in achieving the objectives of the study.

3.1 Conceptual Frame of Reference

According to Miles and Hubberman, 1994, it is easier to create a conceptual framework once a list of research questions has been formulated and moreover explains either graphically or narratively the main things to be studied. In the previous and in this chapter a conceptual framework has been generated to encapsulate the literature studied, in the effort of answering the research questions and ultimately fulfil the purpose of the study.

The purpose of the study is to understand how the *Professional Consulting Firms (PCFs) integrate corporate social responsibility into their operations.*

3.1.1 How do PCFs Depict CSR?

In an attempt to answer the question of how, PCFs depict CSR, three areas of relevance were selected, namely how PCFs define CSR, areas of CSR and activities they ascribe to CSR. In the previous chapter, various definitions and terms were used to depict Corporate Social Responsibility however, for purposes of this study, Archie Carroll's four part definition that outlines the types of social responsibility "areas" that a business has namely economic, legal, ethical and philanthropic responsibilities will be used.

According to Andriof and McIntosh, 2001, corporations that are truly socially focused can step up their obligations in four main areas namely, *the environment, the workplace, the community and market place.* In order to fulfil the aim of the study, it will be crucial to understand how PCFs describe or depict the concept of CSR and the four main areas of CSR mentioned above provide a basis for the same.

The next area to be examined will be the activities encapsulated in the CSR. Despite the fact that there are various opinions on the subject, the Sen and Bhattacharya, 2001, six areas of activities of CSR will be used; *Community Support, Diversity, Employee Support, the Environment, Non Domestic Operations and Products.*

3.1.2 How do PCFs Integrate CSR

For purposes of investigating how PCFs integrate CSR, commonly alluded to techniques will be used. *Management structures, corporate culture and mission.* The communication component will not be taken into consideration since it will be difficult to examine within the limitation of this study. Carroll, 2001, points out that moral leadership and top management that understands elements of CSR and how to implement it in organisations are key factors for success for any firm that attempts to be a good corporate citizen. According to Jose and Thibodeaux, 1999, management is important to set the right climate, since people are influenced and learn by others.

It is urged that corporate culture and mission are crucial for instilling CSR in organizations, for this reason greater emphasis should be placed on serving society at large and mission statements should reflect the firm's commitment to social responsibility.

In order for organizations to be truly responsive towards CSR, specific internal organizational architectures are required, in this regard Griffiths and Petrick, 2001, put forward three team based structures, namely, network, virtual and communities of practice organizations. Each architecture type will be investigated.

In organizing for CSR, some firms have opted to create special CSR Boards, CSR Committees and/or Departments. According to Bateman and Zeithaml, 1990, the role of CSR Boards, Departments and Committees is to monitor key events and trends in the environment in which the firm operates and to address their impacts on the firm's operations. Karake-Shalhoub, 1999, urges that CSR committees serve two distinct functions within a firm. They can lend legitimacy to the consideration of a social and ethics agenda at the highest level of the firms' decision making and can act as communication vehicles to both external and internal stakeholders of the firms' commitment to social and ethical principles of conducting business.

3.1.3 Monitoring and Evaluating Corporate Social Responsibility.

The previous chapter outlined ways in which an organization can monitor and evaluate its CSR initiatives. Specifically outlined are standards and measuring, and reporting systems of CSR. In this study, the later will be considered since it attempts to answer the research question directly.

According to Holland and Gibbon, 2001, organisations measure and report on their CSR activities in order to be accountable to their stakeholders, and motivation to do so reflects the firms' ethical stance and value systems. In addition companies measure their CSR initiatives to gain a better understanding of what they are striving to achieve, the implications of what they are undertaking and how to measure performance against their aims, Zadek, 2001. Collectively, the measurement of CSR provides a retrospective assessment of events that could lead to the review of practical options for improving the company's social performance.

There are no agreed measurement systems and absolute benchmarks in existence for measuring, evaluating, and reporting CSR, however, examples of commonly used systems are given. These include, the Global Reporting Initiative (GRI), The Caux Round Table (CRT), Social Accountability 8000 and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. A CSR Measurement Model developed by Prof. Donna Wood is based on three levels, namely, the principles of social responsibility, the processes of social responsiveness and the outcomes as they relate to the firm's societal relationships. However, the measurement of CSR will not be considered in this research.

There are also standards, certificates and guidelines that companies can make use of when assessing their CSR initiatives. Commonly referred standards, certificates and guideline are sustainability reporting, social auditing, social balance, stakeholder reporting and capital valuation. These will be used in the research study.

Table 1, is a consolidation of the conceptual framework derived from the literature review and theory, the same will be used as a guide during data collection, data interpretation and conclusion drawing.

Table 1: Consolidated Conceptual Framework

CONSOLIDATED CONCEPTUAL FRAMEWORK	
Research Question	**Source**
Definition of CSR	**Defining CSR** " The social responsibility of business the economic, legal, ethical & philanthropic expectations placed on the organisation by society a given point", A Carroll & Buchholtz, Business and Society, 4th Edition, South-Western College Publishing. **Areas of Corporate Social Responsibility, Andriof and McIntosh, 2001** The Physical environment The workplace The Community **Activities of Corporate Social Responsibility- Sen & Bhattacharya, 2001** Community Support Diversity Employee Support
Incorporating CSR	**Benchmarking Against External Codes** The Global Reporting Initiative, http://globalreporting.org The Social Accountability 8000,http://www.sa-intl.org The Caux Round Table (CRT), http://www.cauxroundtable.org Organisation for economic Cooperation and Development Guidelines for Multinational Enterprises (OECD) **Organising for Corporate Social Responsibility** Team Based Organisational Architectures, Network, virtual and communities, Griffiths & Petrick, 2001 Corporate Social Responsibility Departments, Bateman and Zeithmal, 1990. Corporate Social Responsibility Committees, Desai and Rittenburg, 1997. **Corporate Culture and Mission Statement** Mission statement,Johnson & Scholes, 1999 and Thomson & Strickland 2001 **Internal Enabling Environments** Network, Virtual and Communities, Griffiths & Petrick, 2001 Communication, Fransceco and Gold,1998 Management Structures, Carroll, 2001
Monitoring CSR	**CSR Monitoring, Evaluation and Reporting Systems** Measuring and Reporting CSR, Holland and Gibbon, 2001 Leadership Benchmarking, Zadek 2001, Little Oxford English Dictionary, 8th Edition The Global Reporting Initiative, http://globalreporting.org The Social Accountability 8000, http://www.sa-intl.org The Caux Round Table (CRT), http://www.cauxroundtable.org Organisation for economic Cooperation and Development Guidelines for Multinational Enterprises, http://www.oecd.org Different types of Reports, Holland & Gibbon, 2001 Reasons for measuring CSR, Zadek 2001.

Chapter Four: Research Methodology

4.0 Overview

This chapter will outline the methodology for the study, a discussion and justification of choosing specific methodologies for the research. Also outlined will be the research purpose and approach, data collection methods, sample selection and analytical strategies. Data Quality management issues will also be presented in this chapter.

4.1 Research Methodology

Research involves a variety of activities and can be categorised according to its function and /or purpose. Depending on the purpose of the research, it can be classified as either being exploratory, explanatory or descriptive. According to Zikmund, 2000, the purpose of exploratory research is to clarify ambiguous problems and to reach a better understanding about the nature of the problem. As such the use of exploratory research is appropriate in instances where there is little prior knowledge of the problem. Literature review has revealed that there is conflicting and ambiguous information on how these corporations perceive and interpret the concept of CSR and little information has been found that has specifically been formulated on how the concept is integrated into their operations. The purpose of the study is to gain a better understanding of how PCFs integrate the concept of CSR into their operations, renders the study exploratory. The study is also descriptive, since it attempts to depict how PCFs integrate, monitor and report on their CSR initiatives.

Research has two components namely, methodological and theoretical approaches. The methodological approach may either be qualitative or quantitative, whereas, the theoretical approach maybe inductive or deductive. According to Nyberg, 2000, the aim of qualitative research is to interpret and understand phenomena by asking questions such as whom, how and why. By applying this definition to the research questions, and by analysing the aim of the study, a qualitative approach is more appropriate.

According to Zikmund, 2000, in research two approaches maybe used when drawing conclusions. The inductive approach is used when a researcher draws a conclusion from an observed phenomenon and establishes a general theory, conclusion or model. A deductive approach is however used when a researcher forms a hypothesis or testable statement based on already established theory. For this study, a deductive approach is used, since all conclusions will be drawn from general assumptions and established theories have been used as a basis for the study and for the formulation of the research questions.

4.2 Method of the Study

A qualitative type of research will be used for this research study. The decision to use the qualitative method for the study was determined primarily by the nature and aim of research. The nature of the research is exploratory and as such will rely more heavily on qualitative techniques. Moreover, according to Nyberg, 2000, the aim of qualitative research is to interpret and understand a phenomenon by asking questions. According to Zikmund, 2000, qualitative research is concerned with words, observations, interpretations, stories and other meaningful descriptions. Holme and Slovang (1997), point out that the focus of qualitative methods is to provide a deeper understanding of a problem rather than to give information a general approach.

In contrast, quantitative methods aim to explain and measure a phenomenon. According to D.R. Cooper and P.S. Schindler, 2001, "qualitative refers to the meaning, the definition or analogy or model or metaphor, while quantitative assumes the meaning and refers to a measure of it." From this definition, it is evident that quantitative methods will deal with questions of how much, many and often. Answers to these questions are most often measured, calculated with statistical methods, and the focus is mainly on numbers and figures rather than words, Zikmund, 2000.

Since the research seeks to gain a better understanding of how the "big four" PCFs integrate CSR into their operations in present day South Africa and the answers cannot be measured nor quantified in figures, a qualitative approach is most apt method to use for this type of research.

4.3 Data Collection Methods

Sources of data when conducting a case study maybe derived from varied and different sources. According to Yin, 1994, there are six sources of evidence when collecting data, namely, archival records, interviews, direct observations, participant observation, physical artifacts and documentation. For a case study to be of high quality it should have as many sources of information as possible, this is due to the fact that no single source of information has absolute advantage over others, but rather complement each other. In this study, interviews and documentation data collection methods will be used. The desired approach for case studies is known as triangulation, which entails the use of multiple sources of data collection methods.

Yin, 1994 draws distinctions between three types of interview, open-ended, focused and survey interview. In open-ended interviews, the investigator asks the respondent about facts as well as opinions about a certain matter. In a focused interview, the respondent is interviewed for a short period of time and the researcher will most likely follows a set of questions derived from the case study protocol. In survey interviews, the researcher will ask formally structured questions.

Three types of question methods can be used when conducting interviews, each method has its own advantages and disadvantages associated with it. These are personal, telephone and questionnaires. In this study, a combination of all three methods will be used.

Documentation will be used to complement the interviews and also assist in providing a better understanding of the PCFs subjected to this research. The anticipate source of documentation will be the PCFs' websites and printed material.

4.4 Primary and Secondary Data

Data can be classified as either primary or secondary. Primary data can be defined as data that is gathered to specifically to answer a research question. The draw back of primary data is that it could be expensive and time consuming to collect, Zikmund, 2000.

The primary data will be collected through open ended interviews with key personnel and identified champions of corporate social responsibility within their respective organisations. In addition, a questionnaire will be designed and circulated to respondents. Also used will be the review of company documentation, CSR reports and publications. Other data collection methods such as, direct and participant observation, archival records and physical artifacts will not be used for research purposes. Secondary data will be collected via the respective company's website, over the internet and libraries.

4.5 Sample Selection

Sample selection involves any procedure that uses a part of the target population. Zikmund, 2000, highlights that there are two alternatives on how to select an appropriate sample, namely probability or random sampling and non probability or non-random sampling. Probability sampling affords every element of the population a know probability of selection, while non probability sampling involves the selection of a sample based on some basis, such as personal or convenience (ibid).

For this study, a non probability sampling will be used and the sampling will be made in stages, following certain criteria. The first criteria followed will be that firms selected will have to be Multi National Professional Consulting Firms in the auditing, business advisory and accounting disciplines, since the focus of the research is on these firms, the firms had to have offices or operations in South Africa, this criterion is based on the limitation of financial and time resources and the firms have to be currently engaged in CSR activities. There only four firms that meet these criterion are Delloitte, Enrst & Young, KPMG and PricewaterhouseCoopers (PwC).

4.6 Selection of the Respondents

A respondent is a person who answers the researcher's questions. Yin, 1994, points out that it is critical for the respondent not only to provide the interviewer with insight into a matter, but also to propose his own insight into certain occurrences. Home and Solvang, 1991, also point out that in a case study, it is crucial to select the right respondent, since the research can turn out to be invalid if the wrong person is interviewed.

Following from the above, respondents will be identified based on their role in the firms. These individuals will be champions or managers tasked to overlook CSR initiatives within their respective organisations. Initial investigations into the matter have revealed that all the organisations selected for the study have dedicated champions/ managers who are tasked with CSR initiatives in these firms.

4.7 Justification for the use of the data collection methods

Despite the fact that a high quality case study must include as many sources as possible, sometimes it is impractical and unfeasible to use all suitable sources due to the nature of research, time and resource limitations. The method of the study is qualitative and as such archival records as a data collection method is not suitable. The direct observation method was discarded as a suitable collection method, since it could be time consuming and costly.

Participant observation was rejected as an appropriate data collection method because it can introduce a certain degree of bias due to the investigator's manipulation of events. Even though the physical artifacts method of data collection can provide useful insight into cultural features and technical operations, it posses specific weaknesses of selectivity and availability, and as such will not be appropriate as data collection method.

Documentation as a data collection method, introduces certain strengths that are most consistent with the compilation of a good case study. These strengths include broad coverage (many events, long span of time and settings), exactness (captures details of events and references), unobtrusive and can be reviewed repeatedly. The limitations associated with this method range from low retrievalibility, biased selectivity, reporting bias and ease of access.

Interviews as a data collection method also introduce strengths of insightfulness (provides inferences) and focus during discussions with the interviewee. However, there are weaknesses associated with interviews, namely reflexivity, bias as a result of poorly constructed questions and inaccuracies based on poor recall of the respondent.

A combination of factors listed above and the fact that corporate social responsibility is a social phenomenon that can only be researched qualitatively, the only two data collection methods that will be most apt for this study are interviews and documentation and hence will be used.

4.8 Proposed Preliminary Research Instrument

The proposed research instrument will be a questionnaire that will be carefully designed in order to collect as much information as possible pertaining to the research question outlined in section three above. The questionnaire will act as an interview guide which will be used during interviews with identified champions of Corporate Social Responsibility within their firms.

The questionnaire will contain specific sections or fields, the first field will concern the respondent and will seek to ask questions pertaining to the respondent, such as name, position and duration of service at the firm.

The second section will seek to answer the first research question; how does your organisation describe the concept of Corporate Social Responsibility?

Section three of the interview guide will seek to answer the second research question; how does your firm integrate Corporate Social Responsibility into its operations?

The final section will seek to investigate the third and final research question; how does your firm monitor and report on Corporate Social Responsibility initiates?

4.9 Testing of the Propositions / Research Questions

According to D.R. Cooper and P.M. Schindler, 2001, a proposition is defined as "a statement about concepts that maybe judged as true or false if it refers to the observable phenomena." Applying this definition to the research questions developed for the study, there will be no scope for true or false judgements, instead the research questions can be answered descriptively through the direct engagement with those individuals or champions of CSR in their respective firms, by reviewing of relevant company publications and literature.

Data analysis implies examining, categorising, tabulating or recombining evidence Yin, 1994. There are two categories; the first relies on the theoretical proposition and analysing data according to the research questions and frame of reference derived from the literature. The second strategy implies that the researcher develops a case description and descriptive framework in order to present the data. (ibid). In this study the first strategy will be used since the research questions and the frame of reference would have been derived from the theoretical propositions.

Miles and Hubberman, 1994, point out that data analysis consists of three concurrent activities, namely data reduction, data display and drawing conclusions. Data reduction aids researchers to sort and organise data, whereas, data display means taking the reduced data and displaying it in an organised fashion in order to draw conclusions about it. Interpretation of data implies giving the different findings a meaning through observing patterns, explanations and casual follows, which is conclusion drawing and verification.

When analysing data collected for this study, the Mile and Hubbernam, 1994 approach will be followed. The data will be reduced in each case study and research question through a within case analysis. This means that the data from a specific case will be compared to theory. The cross-case analysis will be used to compare cases with each other in order to detect similarities and differences of the different cases. The cross-case analysis will also further assist in the reducing and displaying of data. Conclusion drawing and verification will be the last step, where conclusions will be drawn from the findings of the research. In addition to the above, content analysis on the responses would be done electronically using the Nvivo software.

4.10 Quality Standards: Validity and Reliability

Aaker, 1998, define validity as the ability of a measurement instrument to measure what was supposed to measure and therefore is concerned with the quality of research. According to Yin, 1994, there are three tests to be used when judging the quality of case studies, namely internal validity, construct validity and external validity. Internal validity is only applicable to explanatory studies, or instances where the researcher is trying to determine causal relationships. This study is exploratory and descriptive and as such internal validity is not applicable.

In order to ensure construct validity in this research, the interview guide was sent to the supervisor and to the a CSR manager in one of the PCFs prior to the interviews in order to seek his opinion of whether the same was understandable and clear and indeed will serve the purpose for which it was designed. In addition, all interviews were recorded and detailed notes taken in order to provide a record and a reference for proceedings. Furthermore, all data collected was sent back to the respondents for their evaluation, this action assisted in confirming whether or not the information provided by the respondents was correctly interpreted and where misinterpretation occurred, clarity would be given by the same. This aspect increased the construct validity of the research.

By definition external validity is concerned with knowing whether the findings of the research are generalisable or not. External validity for this research will be achieved through testing the theory in the four different case studies. This does not however, imply that the findings will be generalisable outside the boundaries of this research.

4.11 Reliability

"Reliability is concerned with estimates of the degree to which a measurement is free of random or unstable errors", Cooper D.R. and Schindler P.S, 2001:215. This statement implies that regardless of time lapses, situation and researcher, similar results can be attained. In regard to this study, reliability will be ensured through the following actions;

All respondent were informed of the topic well in advance and supplied with the interview guide prior to the interviews taking place. This accorded the respondents sufficient time to prepare and increase the possibility of providing accurate answers during the interview sessions. Respondents were encouraged to talk freely, this meant that leading questions were used during the interview sessions. The interviews were conducted in English since all respondents were fluent in the language and English is used as the primary medium of communication within their respective firms.

Chapter Five: Individual Case Studies

5.0 Overview

In this chapter, the empirical data for each of the four case studies: KPMG, Deloitte, PricewaterhouseCoopers (PwC) and Enrst & Young (E & Y) will be outlined. The data presented for each case would have been gathered through interviews and various company publications (both electronic and hard copy). The data will be presented in accordance to the structure and sequence of the research questions.

5.1 Case Study One: KPMG

KPMG was approached and invited via Mr. Kevin Fick, the CSR Manager to participate in the study. Mr. Fick felt that due to nature of the questions and the fact that the study involved three direct competing firms, he felt that KPMG's CSR strategic position would be compromised and thus opted not to participate.

Based on the above, account of events, KPMG was excluded from the study.

5.2 Case Study Two: Deloitte

The information provided below was primarily collected through an interview with Mr. Charles Godfrey, the CEO Deloitte Foundation and literature review from various Deloitte publications, both hard copy and electronic versions.

5.2.1 Brief background of the Company

Deloitte Southern Africa is a member of the Deloitte Touche Tohmatsu (in Southern Africa, the firm operates under the legal name of Deloitte & Touche). The South African firm employs approximately 3563 employees, with 222 partners and 18 offices in Southern Africa. It is a professional consulting firm providing Auditing, Tax, Financial Advisory and Consulting services to clients both in the private and public sectors.

5.2.2 Depicting Corporate Social Responsibility.

At Deloitte it is acknowledged that there are various terms used to describe CSR, these include Sustainable development and Corporate Social Investment, but Deloitte define or depict Corporate Social Responsibility as "the manner in which a company manages its business processes to generate stakeholder value, while having a positive impact on the community and minimising any adverse impact on the environment." Deloitte Stakeholders Report, 2004-2005. CSR is a business imperative, which is crucial for managing reputational risk. And if the firm is perceived as being ethical and values driven, then the firm will develop a competitive advantage when competing for clients and talent (ibid). CSR becomes the external manifestation of the firm shared values of integrity, commitment to each other and cultural diversity, it is necessary for the growth of the firm's business and for ensuring a robust and sustainable future.

Areas of Corporate Social Responsibility

The firm's CSR areas can be divided into economic, environmental and social responsibilities. The notion of the firm generating stakeholders' value compares favourably to economic sustainability and in so doing, it creates employment opportunities and contributes to the economic growth of the country. The firm's policy towards the advancement of Small Medium and Micro Enterprises (SMMEs) development through its procurement and Black Economic Empowerment policies is a manifestation of the firm's commitment to enhancement of the national economy. Environmental sustainability is no a major issue based on the relatively negative or low impact the firm's operations has on the environment. Social responsibilities stem from the fact that the firm operates in a community in particular and within a society in general, in this regard Deloitte considers each of its stakeholders' needs and expectations.

Activities of Corporate Social Responsibility

At Deloitte, CSR activities comprise of Black Economic Empowerment (BEE), Human Capital Management and Development, Safety Health and the Environment, and Corporate Social Investment. The firm is committed to supporting BEE not only because of its beneficial economic consequences to the South African economy, but also because it is morally appropriate and emotionally rewarding to contribute to the country's prosperity. Deloitte Stakeholders Report, 2004-2005.

Black Economic Empowerment activities are both internally and externally focused. Internally focused transformation initiatives aim at creating a truly Southern African firm, representative of race, gender and organisational culture within the firm, Deloitte Stakeholders Report, 2004-2005.

The firm is committed to achieving specific internal transformation goals which includes the following; achieving at least 50% Black and 50% White staff complement by 2007, maintaining a 50:50 gender split, increasing the number of women in leadership positions, maintaining quality on training and mentoring programmes and building a corporate culture that embraces all staff. Progress relating to the transformation initiatives is systematically and rigorously monitored through quarterly service line / business unit leaders meetings. Annually, the firm invests R20 million in internally focused initiatives through bursaries, scholarships, the National School of Accounting and internal change processes.

External BEE transformation initiatives under the banner of the Business Equity Initiative (BEI) focus mainly on empowerment from a holistic perspective, emphasising community investment (CI), broad based ownership and transformation of South African Business at all levels. The firm contributes to BEE by supporting (intellectually) key role players in the BEE market, to date it has invested more than R 10 million in these initiatives, which include the entrepreneurial development project Business Beat. The project (Business Beat) aims at providing business services and advice to the SMME sector, focusing specifically on developing business skills of emerging Black entrepreneurs. Business Beat is accredited by the Umsobomvu Youth Fund. The fund's key driver is youth development, where 18 to 35 year-olds can apply for assistance in acquiring business development services.

The firm also contributes towards BEE through its targeted Supplier and BEE Procurement Policy which encourages the procurement of goods and services from "approved" SMME suppliers.

From a **Human Capital Management and Development** perspective, the firm focuses on the development of pipeline talent from previously disadvantaged communities in order to ensure that the firm transforms to reflect the demographics of South Africa. The firm strives to recruit and retain quality employees and constantly provides learning and career development opportunities. The Group Human Resources and Development (GHR &D) department ensures that all HR policies, learning systems and assessment processes and procedures are continuously reviewed. Through the firm's talent management and development programme, R15 million in bursaries and scholarships are awarded to deserving students pursuing studies in chartered accountancy (CA). 80 percent of the fund is earmarked for Black students. In addition to CA bursaries, sponsorships aimed at high school students are awarded for the purchase of books and stationery. These students are invited to work within the Consulting Division of the firm during their vacation to gain experience in the workplace. Scholarships are also awarded to students studying towards a Masters in Business Administration (MBA) degree. Upon completion of their MBA programmes students are expected to payback the scholarship by working for the firm for a requisite number of years. Through the internship programme graduates from previously disadvantaged communities are accorded an opportunity to spend a two month internship within the Consulting, Human Capital and Strategy Operations service lines, with a view of offering them permanent employment within the firm upon the successful completion of the internship. The internship programme forms the "flagship" of Affirmative Action recruitment initiatives within the firm. Deloitte Stakeholders Report, 2004-2005.

The firms also has various programmes such as the Employee Well- Being Programme (EWP) aimed at encouraging employees to successfully achieve a work-life balance and to live a enriched life. The programme avails information on all aspects of well-being, including psychological, physical,

financial and legal advice through the programmes website. Regular wellness campaigns and workshops supplement the information. The EWP has the following focus areas; Lets Get Physical- Physical health through exercise and nutrition, AIDS Awareness- HIV/ AIDS awareness and overcoming the stigma and discrimination, Looking Good, Feeling Good-general wellness and what's your Vice-substance abuse awareness and prevention.
The firm provides standard employee benefits such as medical aid, pension and provident fund, Group Life and disability.

From a **Safety, Health and the Environment** perspective, the firm acknowledges that, its activities have a comparatively low direct impact on the environment and as such its responsibility lies in influencing policy development and regulations in the areas of safety, health and the environment. The firm is committed to applying the best practice in environmental management and to providing a safe and healthy working environment for its employees consistent with the applicable safety legal requirements. Deloitte has established Health and Safety Policies and procedures in all its Southern Africa offices which include; the identification and elimination of workplace hazards, the investigation of any work related incidents that result in injury, ensuring the availability of first aid box at the workplace and ensuring that all employees are familiar with emergence evacuation procedures.

The firm also encourages preservation of the physical environment through project such as Supporting Trees For Africa- Arbor Week Project. Yearly partners and staff celebrate Arbor Day by planting indigenous trees at chosen locations. The Deloitte office in Johannesburg is situated in the Woodland nature reserve, stocked with game.

Through its **Corporate Social Investment (CSI)** initiatives, the firm aims to make a significant contribution to the sustainable development of communities which it serves and recruits from. In this regard, the firm's CSI initiatives focus particularly on education and training, since it directly contributes to increasing the pool from which it recruits, whilst simultaneously benefiting the economy, society and business as a whole. Deloitte Stakeholders Report, 2004-2005. Other areas covered by CSI are Healthcare, Community Empowerment and Enterprise Development and Job Creation.

The Deloitte Foundation was established to focus the firm's CSI efforts. It provides a vehicle through which the firm and employees can participate meaningfully in addressing the various and numerous needs of the community. Through the Foundation, financial investment and as well as time and talent based contributions of employees can be effectively deployed to communities where they are most needed.

There are number of projects directly funded and run by the Foundation. Education focused projects include Project Siyakhula, Thuto ke- Lesedi, UNISA centre for Corporate Citizenship and Thuthuka Trust. Healthcare based projects, include, Unite Against Hunger, Hospice, ACFS Community Education and Feeding Scheme. All projects undertaken by the Foundation are arranged nationally at Deloitte offices and along Service Lines within offices.

Integrating Corporate Social Responsibility

Corporate Social Responsibility Leadership

The CEO of the firm is actively involved in CSR activities. At senior management level, partners and senior managers in the firm, within the various service lines are actively involved in CSR initiatives. The CEO, Southern Africa, Mr. Vassi Naidoo and the Corporate Affairs Partner, Mr. Charles Godfrey are supportive of all CSR initiatives.

Corporate Culture and Mission

There is evidence that CSR is well embedded in the firm's culture and mission. From an international perspective, Deloitte Touche Tohmatsu (DTT) had previously adopted / used the term "Responsible Globalisation", but opted to adopt to the term "CSR" as the official term for activities in this area. In July 2002, the French firm CEO Philippe Vassor, established a representative task team to investigate whether there is business case for establishing a global approach to CSR in Deloitte, the task team found that indeed there was a support for a global approach and in march 2003, DTT approved the establishment of a focused global CSR approach of which the South African Practice is part. The firm has formal statements, such "we pay close attention to issues of public trust, independence and accountability as well as our social and economic contributions". Company policy statements also cite, "good corporate governance is dependent not only on well managed structure and procedures, but on an organisation's willingness to behave in an ethical and moral manner, and in accordance with its organisational values. Included in the firm's value statement are issue around "integrity" and "strength from cultural diversity", which are all integral components of CSR.

Organising for Corporate Social Responsibility

There is a framework for managing CSR in the firm. The firm has a focussed global CSR board responsible for the development and implementation of the CSR initiatives. However, interpretation of the CSR initiatives, decision on type of projects to be undertaken and strategies are refined and adopted for each region. In the South African context, the CSR Board is been constituted with senior representatives from various disciplines and regional offices.

The Deloitte Foundation headed by Mr. Charles Godfrey was founded in 2003 to focus the firm's CSI efforts. Its key purpose is to develop, drive and coordinate all the firm's CSI strategies, with a vision of making Deloitte a significant contributor to the sustainable development of communities which it serves and recruits from in Southern Africa. It focus areas are Education, Healthcare, Enterprise Development and job creation and Community Empowerment.

Benchmarking against Internal and External Codes

The firm does not benchmark against any codes.

5.2.3 Monitoring Corporate Social Responsibility

Evaluation and Reporting Systems

The firm acknowledges the importance of global standards, guidelines and benchmarking of corporate reporting, it is for these reasons that Deloitte has adopted the GRI framework of reporting to its stakeholders. Annually, the firm publishes a "Stakeholder Report" which is structured along the GRI guidelines. This report includes, the CSR management issues, such as Social Performance Indicators- Labour Practices, Human Rights, Society and Product Responsibility. The report also includes the firm's CSI policies and principles.

5.3 Case Study Three: PricewaterhouseCoopers (PwC)

The data and information presented in this section was collected through an interview held with Ms. Mapula Mashishi, the Corporate Social Responsibility manager based at the PwC office in Sunninghill, Johannesburg. She represents PwC on various industry / professional bodies such as the South African Institute of Chartered Accounts (SAICA) on CSI matters.

5.3.1 Brief Background of the company

PricewaterhouseCoopers is the world's largest professional services organisation with a staff compliment of over 120 000 employees and has presence in over 139 countries. It provides industry-focused assurance, tax and advisory services for public and private clients in four areas, namely, corporate accountability, risk management, structuring, mergers and acquisitions, performance and process improvement.

5.3.2 Depicting Corporate Social Responsibility

PricewaterhouseCoopers define corporate social responsibility as the interaction between businesses, government and the community at large in order to participate in activities that will create a sustainable environment, which is critical to the overall business strategy. PricewaterhouseCoopers Sustainability Report South Africa, 2004-2005.

Areas of Corporate Social Responsibility

PwC divides its responsibilities into four areas: the national / regional economy, the market, environment and customers. The firm is committed to the contribution of creating a better South African and regional business environments through the participation and contribution to initiatives by South African Ministry for Trade and Industry and New Partnership for Africa's Development (NEPAD) by both the Chief Executive Office and Deputy Chief Executive.

In order to meet the challenges of the market, PwC, constantly adapts its range of services in order to ensure the firm's sustainability and that of its client base. Sustainability is achieved by constantly evolving and re-aligning the firm's services to create a focus on the distinctive elements of its business-assurance, advisory and tax services to meet each client's unique needs.

Activities of Corporate Social Responsibility

The PwC CSR strategy comprises of three elements. **Commercial Equity:** "contributing to procurement and enterprise development through co-operative ventures with black business organisations and procurement from black-owned and managed suppliers". PricewaterhouseCoopers Sustainability Report South Africa, 2004-2005. To demonstrate the firm's commitment to commercial equity, in the form of co-operative ventures with emerging black organisations, PwC merged with Mokua and Associates, an accounting firm based in Phokeng, Northwest Province. The merger exposed black professionals to international methodologies and experience in the private sector. In respect to involvement with organisations that aim to advance black professional development, PwC, is an active participant in the Association of Black Accountants in Southern Africa (ABASA). A PwC partner is both the chairman and national board member of ABASA in the Western Cape.

PwC's contribution to the development of entrepreneurs is undertaken through the Business Skills for South Africa Foundation (BSSA), an organisation founded jointly by the National Industrial Chamber and PwC.

BSSA aims to equip small, medium and micro enterprises (SMMEs) to create sustainable jobs and increase wealth through the transfer of practical skills.

Employment Equity (EE): "Creating equal employment opportunities for all our people, transferring skills and complying with the Employment Equity Act" PricewaterhouseCoopers Sustainability Report, South Africa, 2004.
As part of the firm's employment equity strategy each PwC office has an Employment Equity Forum, which represents various occupational levels, genders, ethnic groups and service lines. The EE Forum is a mouth piece for staff and ensures that issues are raised and addressed. EE Forum representatives from all PwC offices, meet and report to the Deputy Chief Executive Officer twice a year.

Corporate Social Investment (CSI): "Focusing on education and business skills development to accelerate growth, create employment and encourage economic contribution by communities that were previously disadvantaged." PricewaterhouseCoopers Sustainability Report South Africa, 2004-2005.

The firm's CSI strategy focuses on two elements, namely education and skills development. The strategy also addresses social challenges faced by the country, such as, HIV/AIDS, unemployment and poverty. The staff is encouraged to voluntarily contribute time towards community upliftment projects in an attempt to meet the basic needs of the community.

In respect to education initiatives, there is a critical shortage of black chartered accountants in the country and as such PwC in association with the South African Institute of Chartered Accountants (SAICA) and ABSA have initiated programmes aimed at enhancing the awareness of the profession and provide support to individuals showing interest in the profession. PwC supports students at the CIDA city campus. PwC founded the School of Accounting at CIDA and the firm's employees prepare and lecture in accounting, auditing and taxation. PwC also allocates bursaries to students approximately R8 million annually from disadvantaged communities. At the Aha-Thuto Secondary School, PwC has provided both financial and human resources. Through infrastructure development, PwC aims to contribute to the physical upgrading of educational facilities in the country, examples of these initiatives include, the Emachunwini Combined Primary School, Malanga Primary School and Kusakusa Primary School.

The firm's Community upliftment projects are aimed at addressing social challenges facing the country. In this regard employees are instrumental in initiating, managing and ensuring continuity of projects embraced by the firm. Examples of such projects include, **Operation snowball**: staff donate clothing items that are distributed to the needy during winter months. **Habitat for Humanity**: Employees assist with fundraising and the actual building of house in informal settlements. **Emthonjeni Community Centre**: Staff gives time voluntarily to children and also assists the centre with human resources requirements.

Corporate Social Responsibility Leadership

At executive level, the Deputy Chief CEO of the firm is the custodian of the CSR in the firm. He is actively and highly involved in the firm's CSR initiatives. At senior management level, partners and senior managers in the firm, within the various service lines are actively involved in CSR initiatives. At middle management level, managers participate in all initiatives embraced by the firm. It suffices to conclude that at all levels of management, CSR is taken very seriously indeed.

Corporate Culture and Mission

The firm's CSR responsibilities are entrenched throughout the organisation. CSR is forms part of the induction course for all new recruits and for old employees, CSR initiatives and strategy is broadcast over the firm's intranet and monthly publications that highlight current CSR projects, both planned and future, this also provides an opportunity for all employees to indicate and select which initiates or projects they would like to be involved in.

Organising for Corporate Social Responsibility

Several bodies direct CSR at the firm. These include boards responsible for CSR, ethics, employment equity and HIV/ AIDS. The CSR Board comprises of eleven (11) members, of which four are external independent people and the balance are internal personnel at various levels of management within the firm. Its responsibilities include, determining the firm's CSR ethos, directing and monitoring stakeholder engagements activities, setting of CSR policy, strategy, goals and performance indicators, providing input on the applications of CSI funds, monitoring delivery of the strategy to agreed performance indicators and ensuring that appropriate reporting to stakeholders on CSR policy, initiatives and performance.

The ultimate responsibility for executing the CSR strategy resides with the Deputy CEO, who reports on these issues directly to the PricewaterhouseCoopers Executive Committee. The Deputy CEO is assisted by a full time manager. In addition to the CSR Board, the firm has a dedicated CSR manager whose responsibility is to co-ordinate all CSR initiatives nationally.

Benchmarking against selected External Codes

PwC does not benchmark against any codes.

5.3.3 Monitoring of Corporate Social Responsibility

Evaluation and reporting Systems

The firm has a dedicated CSR office under the Deputy CEO office. The manager in this office undertakes CSR reporting, firstly to the Deputy CEO and ultimately to the PwC executive committee. The firm has adopted the Global Reporting Initiative (GRI) standards. The firm subscribes to the GRI principles and acknowledges that although not all of them are met presently, it commits as an ongoing process to ensure future adherence to the GRI standards.

Monitoring and reporting is undertaken for each of the three areas, of CSR, Commercial Equity, Employment Equity and Corporate Social Investment. In regard to Commercial Equity, the firm keeps accurate records- budget spent on procurement of goods and services from black owned and managed companies. The firm has set a target of 40 percent of discretionary expenditure for preferential procurement and the target for attaining the same was set to be achieved by June 2005. Currently, 37 percent of the firm's total discretionary expenditure is on organisations that are socially responsible and that embrace the objectives of black economic empowerment.

The firm employs 3 864 people (including partners) in South Africa, 37 percent of whom are black and 1 percent is disabled, furthermore, a comprehensive employment equity plan is in place to ensure that progress is monitored. Within this plan, targets for recruitment of black trainees have been set at 40 percent, 45 percent and 50 percent for 2003, 2004 and 2005 respectively.

An integral component of the EE is Skills Development of employees at all levels of within the firm, PwC spent 1, 6 percent of its payroll for the previous financial year on training (excluding time costs). Professional staff spent, on average, 40 hours per annum on training. In 2003 the firm introduced the Adult Basic Education and Training (ABET) programme for its support staff. This affords them the opportunity for personal development and growth within the firm wherever possible. Progress regarding the EE issues within the firms are closely monitored and reported upon by the CSR office through a Report submitted to the National Department of Labour (NDoL) annually. In 2000, the firm developed and submitted an EE Plan[3] to the NDoL, it is against the employment targets per category as contained in the Plan that the firm reports against to the department. Annually, the Department audits the firm's progress regarding key performance indicators and targets contained in the report against, the benchmarked figures in the EE Plan.

In regard to CSI, PricewaterhouseCoopers believes in empowering people as well as entire communities, the firm's primary focus is on job creation,

[3] All employers employing more than 150 employees must submit an EE Plan to the National Department of Labour.

education, and business skills development, enabling job creation for the country. The firm spends approximately R15 million and more than 8 000 hours on corporate social investment annually, enabling major staff involvement and skills sharing. Progress and actual status of CSI initiatives is reported to the Executive Committee quarterly and to stakeholders annually in the Sustainability Report.

Benchmarking against External Codes

The firm does not follow any external benchmarks, nor does it subscribe to one. There are also no immediate plans of instilling codes into the firm in the immediate future.

5.4 Case Study Four: Ernst & Young (E & Y)

The data and information presented under this section was collected through an interview held with Mr. Kenneth Mazibuko. Mr. Mazibuko is the Corporate Social Investment (CSI) National Co-ordinator based at the E & Y Illovo Office in Johannesburg. He represents E & Y on various bodies such as the South African Institute of Chartered Accounts (SAICA) on CSI matters.

5.4.1 Brief Background of the Company

E & Y is an international professional services firm employing 100,000.00 personnel worldwide in 140 countries. The firm's range of services is centred on its core competencies and includes auditing, accounting tax and transactions.

In South Africa, E & Y has an autonomous partnership of approximately, 106 partners and has offices countrywide and a staff complement of over 1483. (Ernest & Young News Release, September 2005). The firm's has presence in some of the major centres in the country and has offices in Cape Town, Durban and Johannesburg.

5.4.2 Depicting Corporate Social Responsibility.

According to Mr. Mazibuko, E & Y prefer to use the term "Corporate Social Investment" as compared to Corporate Social Responsibility. The core of the firm's CSI strategy is based on the premise that it has a crucial role to play in social upliftment and will utilise resources at its disposal to attain maximum impact through its hands on approach. Mr. Mazibuko further points out that CSI is about sustainability of all projects undertaken by the firm, externally, key partnerships and support provided to credible, relevant Non Governmental Organisations (NGOs) and other organisations is crucial to the firm's success in all community based projects. Employees are also encouraged on a voluntary basis to contribute towards the firm's community involvement initiatives either by contributing their time or by sharing their expert knowledge on community projects.

Areas of Corporate Social Responsibility / CSI

E & Y has divided its CSI activities around two areas, namely social and the national economy, the motivation behind these activities or priority areas is to support the national programme of social upliftment of all citizens and to bolster the auditing, accountancy profession in the country. The firm channels funding and human capital into education, health, housing and entrepreneurial development.

Activities of Corporate Social Responsibility

The activities of CSR can clearly be divided into internal and external. Internal activities are aimed towards the assistance and upliftment of the firm's employees, whereas, external initiatives are aimed at the community in which the firm operates and resides.

From an internal perspective, the firm has makes available funds or bursaries for staff members who wish to further their studies in fields that are relevant to its core business. In this regard, the firm works closely with SAICA in an attempt to accelerate the increase number of black chartered accountants in the country. The firm also promotes equal employment opportunities and diversity across its staff complement through its employment equity policy. Of 106 partners, 25 percent are black, 50 percent of the total complement is black and 50 percent of staff is female. E & Y News Release, 07 September 2005.

Externally, E & Y takes the responsibility of being a good corporate citizen through its community involvement initiatives. Educational initiatives are undertaken in form of partnerships between the firm and others bodies such as SAICA are aimed at promoting and accelerating the number of black chartered accountants in the country. In addition to this joint initiative, E & Y awards bursaries worth R15 million annually to deserving students, towards the funding of accounting studies at various tertiary institutions. From a human capital contribution perspective, E & Y employees on a volunteer basis, work educational institutions and organisations to provide career guidance to students. According to Jackie Tong (Partner in Charge of African Operations), these sessions not only exposes students to the accounting and auditing profession, but also exposes them to possible career choices that they would otherwise not have known about. The staff also provides tutorial lessons in mathematics, English and accounting to students who wish to further their standards in accounting.

With the prevalence of HIV / AIDS in the country, E & Y has formed several partnerships in an effort to address the impact of the disease on communities. The Beautiful Gate partnership seeks to foster physical, medical, emotional and spiritual care to children and families within communities. The NOAH (Nurturing Orphans of AIDS for Humanity) association provides the firms staff members with the hands on opportunity to assist and care for HIV/ AIDS orphans voluntarily.

From a social upliftment perspective, E & Y partnered with the Habitat for Humanity an NGO organisation that seeks to ameliorate poverty through the provision of decent and affordable housing to impoverished communities. As part of this project the firm undertakes to build at least three houses in each of the major regions (Durban, Cape Town and Johannesburg). "The ultimate aim of this initiative is to not only to build a house for somebody to live in, but also to educate the new homeowner about the added responsibilities that come with owning a house", Jackie Tong, E & Y News Release, 07 September 2005.

The entrepreneurial development initiative provides the firm's staff an opportunity to impart and participate in mentorship programmes for the benefit of emerging businesses. The partnership between the National Business Initiative (NBI) is an example of such initiative aimed at providing mentorship to emerging small and medium sized enterprises with invaluable expertise. These institutions create jobs for many and fuel economic growth in the country. The type of expert services and advice provided are auditing, accounting, tax and corporate finance services.

Integrating Social Responsibility

CSR Leadership

Two partners, namely Jackie Tong (Partners in charge of African Operations) and Stewart Waymark (Partner Forensics Practice) are in charge of CSI within Ernst & Young. The two partners are highly involved in the firm's CSI initiatives and are responsible for setting the firms CSI strategy.

Corporate Culture and Mission

Up until recently, CSR, was not embedded into the firms culture, however, but now has embarked profiling CSI throughout the firm by first making it an integral component of the induction course of the new intakes or recruits. In this way, the firm hopes the new intakes will not only embrace the CSI concept but also get to learn about the firm's CSI strategy in a holistic and integrated manner. In addition, the firm periodically distributes desk-drops in form of chocolates and other sweet products with a CSI topic printed on the wrapping.

On a monthly basis, the CSI department always publishes a CSI related article that outlines the various CSI initiatives that the firm is currently undertaking and thought leadership articles about the topic. Editorials are also posted on the firm's website and intranet.

Major CSI events are proactively "marketed" to all senior management and staff alike, with the key objective of informing leaders of services lines to allow time off for staff members to part take in the activities. General staff members are informed of the events in order to obtain their buy in, attendance and participation.

Organising for Corporate Social Responsibility

E & Y has a dedicated CSI department, located at their "Head Office in Johannesburg. This department is responsible for strategy setting, budget allocation and formalising of relationships between the firm and third parties. On an operational level, Mr. Kenneth Mazibuko is responsible for the national co-ordination of CSI initiatives. Although CSI initiatives can be undertaken at a regional and serviceline[4] levels, integration, budget allocation and co-ordination of effort is undertaken from Johannesburg.

From a communication perspective, the Johannesburg office undertakes the formulation of most of the CSI communication massages through the South African offices. The firm also has a CSI committee which decides on CSI initiatives to embark on, sets CSI Key Performance Indicators and objectives, the committees are regionally based (Main centres), but it is not clear to the extent of regional autonomy. It is also worth noting that the firm does not have in place any CSI code of conduct.

Benchmarking against External Codes

The firm does not follow any external benchmarks, nor does it subscribe to one. There are also no immediate plans of instilling codes into the firm in the immediate future.

5.4.3 Monitoring of Corporate Social Responsibility

Evaluation and Reporting Systems

The CSI committee is responsible for the reporting function to the top executive on a quarterly basis. The quarterly report outlines progress attained in regard to set CSI Key Performance Indicators and objectives. The committee is also responsible to monitoring and evaluation of the projects

[4] similar to a department

undertaken by the firm. There are no standard tools or methodology followed in this regard.

The report, generally covers, issues around budget spent, current status of projects and planned projects, or those in the pipeline. Mr. Mazibuko highlights that CSI reporting is not as straight forward and easy as financial reporting, what is of importance is that reports should highlight key success areas and priorities within the communities so that the firm can best respond to these challenges.

Chapter Six: Analysis of the Findings and Conclusion

6.0 Overview

The analyses of the findings are presented here. This chapter is constructed of three sections, namely data reduction, data display and conclusion. Data is reduced in each case and research question through a "within case analysis" (which entails comparing data for each case to theory) and thereafter data is subjected to "cross case analysis" (cases are compared to each other).

6.1 Within Case Analysis- Deloitte

6.1.1 Depicting Corporate Social Responsibility.

Deloitte depict Corporate Social Responsibility as "the manner in which a company manages its business processes to generate stakeholder value, while having a positive impact on the community and minimising any adverse impact on the environment." The firm's CSR activities include Black Economic Empowerment (BEE), Human Capital Management and Development, Safety Health and the Environment, and Corporate Social Investment. All these CSR activities point or allude to the betterment of the society as a whole. Deloitte recognises the need to generate profit or value for its stakeholders, through sustainable, responsible and ethical business practices. Although the legal facet is not specially mentioned in the firm's definition of CSR, it is implied and enforced by the nature and virtue of the firm's activities.

The firm's definition of CSR is generally comparable to A. Carroll's four part definition of CSR summarised as follows: "The social responsibility of business encompasses the economic, legal, ethical and philanthropic expectations placed on the organisation by society at a given point".

Areas of Corporate Social Responsibility

These include BEE, Human Capital Management and Development, Safety Health and Environment, and Corporate Social Investment. According to Andriof and McIntosh (2001), companies can divide CSR into the environment, workplace, community and the marketplace. From an environmental perspective, Deloitte contributes directly to the enhancement of the physical environment, through commitment of time and other resources during Arbor Day and moreover, their Woodmead office is situated in a nature reserve. Betterment of the workplace is achieved through its policies on safety and health for its employees by the total elimination of possible hazards at the workplace. Although the firm is not directly involved to the environmental management issues, it contributes to the agenda through its involvement in debate around environmental policy and partnerships. Advancement of community welfare is achieved through the firm's CSI initiatives which emphasise a direct commitment of monetary and time resources. In regard to the marketplace, Deloitte commits to providing its client base with services of the highest quality and integrity. Although the firm does not explicitly divide CSR areas, into the environment, workplace, community and marketplace, analysis of constituents of Deloitte CSR areas points out consistency with the framework as developed by Andriof and McIntosh.

Activities of Corporate Social Responsibility

Johnson and Scholes, 1999, state that a company can divide its CSR initiatives into internal and external activities. Internal activities normally revolve particularly around employee issues and the workplace in general. From an internally focused perspective, Deloitte provides its staff with the medical aid, retirement and life cover benefits and encouraging a work-life balance through its Employee Well-Being Programme. Workplace issues are addressed through its policy on safety, health and environment policies which aim at promoting a safe working environment through the total elimination of hazards at the workplace. External activities involve issues such as engagement in community based projects, protection of the physical environment are addressed through the firm's CSI initiatives. The distinction between internal and external activities is consistent with that as suggested by Johnson and Scholes, 1999.

Sen and Bhattacharya, 1999, cite six CSR areas; Community Support, Diversity, Employee Support, Environmental, Non Domestic Operations and Product Safety. The firm's CSR areas include engagement in community based projects, through its CSI initiatives, diversity at the workplace through its employment equity stance, employee support and environmental issues. With the exception of the latter, which is generally not applicable to PCFs, the firm's areas of CSR are generally consistent with those suggested by Sen and Bhattacharya, 1999.

6.1.2 Integrating Corporate Social Responsibility

Corporate Social Responsibility Leadership

Management commitment to Corporate Social Responsibility is evident at Deloitte, at the executive level, the CEO is said to be actively involved in a CSR and CSI related activities. At senior management level, Mr. Godfrey takes direct responsibility of CSI activities and reports on CSI activities to the CEO. Partners are also actively involved and support CSR and CSI activities undertaken by the firm. Desai and Rittenburg, 1997, state that the CEO and senior or top management have an important role to play when integrating CSR in organisations, this is consistent in Deloitte's approach to CSR leadership.

In regard to the creation of enabling internal environment and climate for CSR, Jose and Thibodeaux, 1999, senior functional management such as partners and managers play a crucial role. For example, they have to allow employees time off to engage in CSR activities. Allowing employees time off is an integral activity in creating enabling climate in which CSR activities can take place. This is consistent with Jose and Thibodeaux, 1999.

Corporate Culture, Vision and Mission and Corporate Social Responsibility

Mr. Charles Godfrey confirms that although CSR is an integral part of the firm's operations, it is not yet fully embedded into the firm's culture and mission. The challenge is to integrate CSR into the "shared believes" ethos of the firm.

An extraction of the firm's mission statement, states that the "firm exists to serve the public interest as one of the cornerstones of corporate governance by supplying world class assurance services, insofar as this is compatible with local and international regulations". From the above, the firm does mention "public interest" and "compatibility with regulations", which are both facets of CSR. According to Schneider and Barsoux, 1997, corporations are increasingly putting more emphasis on serving society at large and state greater social responsibility in their mission statements.

Organising for Corporate Social Responsibility

According to Griffiths and Petrick, 2001, organisations can be truly responsive to CSR if specific internal organisational architectures are formed; Network, Virtual and communities of practice Organisations. At Deloitte all CSI initiatives are co-ordinated centrally under the hospice of the Deloitte Foundation. Lines of Service and regional offices are at liberty to create and engage in specific CSI activities, but the budget and guidance in regard to the nature and type of activities to engage in are guided by the Deloitte Foundation. The firm's organisation of CSR compares favourably to the network organisational architecture as proposed by Griffiths and Petrick, 2001. The firm uses the virtual organisational architectural, when engaging on specific CSI activities, such as the Thuthuka project, undertaken under the hospice of SAICA. The firm does not use communities of practice organisational architecture.

Role of CSR Boards / Departments / Committees

The firm has a fully functional CSR board, of which the Deloitte Foundation is a sub committee. The Board is responsible for monitoring, setting and monitoring of the implementation of appropriate CSR strategies. The existence and functions of the Board is consistent with Bateman and Zeithaml, 1990, roles of CSR Boards.

The Deloitte Foundation is a subcommittee of the CSR Board with particular emphasis on the firm's CSI initiatives. It receives and evaluates all CSI investment requests from the general public, provides policy around investment criteria, monitors progress on CSI projects and reports to all stakeholders, both internal and external. This is in agreement with Desai and Rittenburg, 1997, statement that CSR committees are becoming a popular means to integrate CSR into organisations.

Codes of Conduct

The firm does not have formal code of conduct, but rather is viewed to be inherent in the nature and type of services provided by the firm. The core of accounting, auditing and business advisory services is trust and transparency, as such all employees, including partners are expected to act ethically, by so doing, the firm hopes to achieve and maintain public trust, enhance investor and stakeholders' confidence. Moreover, there are statutory bodies such as SAICA which regulate the conduct of the profession. The firm has also developed, ethical principles which define the standards and ethical behaviour for all partners and staff in relation to professional conduct covering issues such as objectivity, confidentiality and competence. There are no guidelines for environmental policy, since the firm's activities do not affect the physical environment adversely.

Benchmarking against external codes

The firm does not benchmark against any of the selected external benchmarks.

6.1.3 Monitoring Corporate Social Responsibility

Evaluation and Reporting Systems

Mr. Godfrey acknowledges that there is a need for improvement in the firm's evaluation and reporting systems of CSR initiatives. Currently, a lot of evaluation and progress is done instinctively in many of the firm's CSI activities. For instance, the firm cannot provide accurate figures in relation to their Heartbeat and Siyakhula projects, this maybe because the nature of reporting is based on "impact" and not to absolute figures. The firm's reports, mainly highlights its involvement in the different facets of CSR, namely, BEE, Human Capital Management and Development and CSI initiatives.

Deloitte evaluates and reports on CSR in order to understand what the firm is trying to achieve based on predetermined key performance indicators (KPIs) and to inform its stakeholders of progress made in regard to the KPIs. The reasons for evaluating and reporting on CSR are in line with the suggestions put forward by Holland and Gibbon, 2001.

Reports

The firm produces annual Stakeholder Report. This report seeks to address the various stakeholders' concerns and expectations, whilst providing an overview of the challenges, progress and milestones attained while addressing stakeholders' expectations. The Report follows guidelines of the GRI and outlines the nature and type of firm's projects.

6.2 Within Case Analysis- PricewaterhouseCoopers

6.2.1 Depicting Corporate Social Responsibility.

PricewaterhouseCoopers define CSR as the interaction between businesses, government and the community at large in order to participate in activities that will create a sustainable environment, which is critical to the overall business strategy. Analysis this definition in regard to the firm's principles of sustainability, which comprises of three elements, namely; commercial equity (promoting of black-owned and black-managed suppliers), Employment equity (creating equal employment opportunities) and corporate social investment (focusing on education and business skills development-economic contribution), reveals that only two of the above elements, Employment equity and Corporate social investment accurately meet A. Carroll's definition of CSR. Employment equity is mandatory by Law for all designated employers, whereas CSI has inherent elements of philanthropy.

Areas of Corporate Social Responsibility

The firm divides its responsibilities into four areas, national economy, the market, environment and customers (clients). The firm is also responsible to four distinct groups of stakeholders, namely, partners, employees, clients and the community. All these areas of CSR are consistent with those suggested by Andriof and McIntosh, 2001.

Activities of Corporate Social Responsibility

The activities of the firm can be divided into internal and external and comprise of three elements, namely, Commercial equity (CE), Employment equity (EE) and Corporate social investment (CSI). CE and CSI are clearly external activities, whereas EE issues are purely internal, focusing on the firm's employees. This distinction aspect is consistent with that as suggested by Johnson and Scholes, 1999.

The CE element emphasises procurement from black owned and management SMMEs. This is in the effort of promoting economic growth through improved employment opportunities. The EE component aims to eliminate discrimination at the workplace, while promoting equality and celebrating diversity. The CSI element forms an integral part of the firm's social programme, which include caring for HIV/AIDS orphans, infrastructure development and community upliftment projects. For its employees, the firm has developed the Employee Assistance Programme, which deals with employee wellness issues. The firm's activities of CSR are consistent to those proposed by Sen and Bhattacharya, 2001.

6.2.2 Integrating Corporate Social Responsibility

Corporate Social Responsibility Leadership

At PwC CSR is driven from the Joint Deputy CEO, Mr. Stanley Subramoney's office. Mr. Subramoney is a member of the PwC Southern Africa Executive Committee, which is responsible for implementing the firm's business strategies, of which CSR forms part. At senior management level, managers are also involved in CSR activities and commit time on community projects that the firm undertakes. Moreover, the CSR Board comprises partners, senior managers and members of the PwC Southern Africa Committee.

Although, it is the duty of the Board to set CSR, strategies and policies, it is the responsibility of the Joint Deputy CEO to execute and report CSR issues to the firm's Executive Committee. Therefore, executive and top management involvement, commitment to CSR can be regarded as high at PwC and in accordance with Desai and Rittenburg, 1997. Since executive and top management are highly involved in CSR issues, it follows then that all effort is made to create enabling organisational structure for CSR. This is also in line with Jose and Thibodeaux, 1999.

Corporate Culture, Mission, Vision, Values and Corporate Social Responsibility

According to the CEO, Mr. Colin Beggs, "CSR is inextricably linked to the values of the firm". PwC Sustainability Report, 2004. This statement implies that CSR is well embedded in the firm's operations and forms an integral component of its business strategy. "At PwC, CSR is viewed as not being a process, nor a series of related or discrete initiatives, but rather an ethos or way of approaching business." (ibid).

From the above statements, it seems that CSR is well entrenched in all core aspects and values at PwC.

Organising for Corporate Social Responsibility

At PwC, all CSR strategies are devised and co-ordinated centrally from the Sunninghill offices. Regional offices can only engage in CSR activities that are inline with those at "Head Office", the CSI budget, the nature and type of projects that undertaken by the various regional offices are determined and controlled centrally. The firm does indeed employ the network organisational structure at a regional and national basis on CSR initiatives. This aspect of organisational architecture is comparable to that proposed by Griffiths and Petrick, 2001.

The firm uses the virtual organisational architectural structure when engaging on specific professional / industry CSI activities, such as the Thuthuka project, undertaken under the hospice of SAICA. The firm does not use communities of practice organisational architecture.

Role of CSR Boards / Departments / Committees

The firm has a fully functioning CSR Board which is tasked with providing an oversight of the firm's social responsibility programme and initiatives. This is in accordance with Desai and Rittenburg, 1997.

In addition, it determines the firm's CSR ethos, agrees on CSR policies, strategies, goals and performance indicators and provides advice, guidance and counsel on the development of supporting projects. The Board also ensures that appropriate reporting to the various stakeholders is undertaken.

The functions of the PwC CSR Board are not entirely in line with those suggested by Kaptein, 1998.

The Board is the overarching body and the custodian of CSR in the firm. Under the CSR Board are committees such as the ethics and the employment equity. Within the firm there is a dedicated manager who is tasked with the operational issues of CSR. In regard to the suggestion put forward by Bateman and Zeithaml, 1990, PwC has a CSR Department and thus meets this requirement.

Codes of Conduct

The firm has developed different policies to address its responsibilities and priority areas. The firm has developed the code of ethics, which guide all partners and staff from an ethical standpoint. Moreover, the industry is regulated by Professional Codes of Conducted and various charters that are enacted by government. Collectively, these codes form a framework through in which the firm undertakes CSR activities. Since the firm's operations do not pose nor affect the environment negatively, there is no environmental policy.

Benchmarking against External Codes

The firm does not benchmark against any external codes.

6.2.3 Monitoring of Corporate Social Responsibility

Evaluation and Reporting Systems

The firm has a dedicated CSR office / department through which all CSR evaluation and reporting is done. There are clear evaluation and reporting systems, but it is done for the three focal areas of CSR. There are accurate figures that are available for CE, EE, but not very accurate for some aspects under CSI. This may be because some of the activities under CSI can not be measured in absolute terms, but rather from an "impact" achieved perspective.

The reason for evaluating and monitoring CSR is to promote progressive and transparent reporting to all the firm's stakeholders, showcase some of the CSR initiatives and activities that the firm has been involved in, and articulate the progress attained in specific CSR activities. These reasons for evaluating and reporting are consistent with those suggested by Zadek, 2001.

Reports

The firm produces a Sustainability Report to stakeholders every three years and to the Board bi-annually. The Sustainability Report follows the guidelines of the GRI and is available on the firm's website. This sustainability reporting is comparable to Holland and Gibbon, although it does not cover financial and environmental aspects of reporting.

6.3 Within Case Analysis- E & Y

6.3.1 Depicting Corporate Social Responsibility.

According to Mr. Mazibuko, E & Y prefer to use the term "Corporate Social Investment" as compared to Corporate Social Responsibility. Mr. Mazibuko further points out that CSI is about sustainability of all projects undertaken by the firm, externally, key partnerships and support provided to credible, relevant Non Governmental Organisations (NGOs) and other organisations is crucial to the firm's success in all community based projects.

The definition emphasises corporate social investment, this term is concerned with "how the firm spends its money" and does not consider the "way in which it is generated". CSI has as one of its components, philanthropy, which meets only but one of the definitions of CSR as suggested by A. Carroll, 1991.

Areas of Corporate Social Responsibility

The firm divides its CSI responsibilities into two categories, namely the social and national economy. The social responsibilities aim at upliftment of all citizens in the country. The emphasis is on education, health, housing and entrepreneurship development. Contribution to the national economy is achieved through bolstering the firm's core competency areas. These two areas of CSR are consistent with those as suggested by Andriof and McIntosh, 2001.

Activities of Corporate Social Responsibility

The firm's CSR activities can clearly be divided into internal and external. Internal activities, such contribution towards employees' studies through bursaries and EE issues are aimed towards the assistance and upliftment of the firm's employees, whereas external activities are embodied in the firm's CSI activities initiatives. External initiatives are aimed at the community in which the firm operates and resides. The distinction between activities is consistent with Johnson and Scholes, 1999.

Sen and Bhattacharya, 1999, cite six CSR areas; Community Support, Diversity, Employee Support, Environmental, Non Domestic Operations and Product Safety. The firm's CSR areas include engagement in community based projects, through its CSI initiatives, diversity at the workplace through its employment equity stance, employee support and environmental issues. With the exception of the latter two areas, which are generally not applicable to PCFs, the firm's areas of CSR are generally consistent with those suggested by Sen and Bhattacharya, 1999.

6.3.2 Integrating Corporate Social Responsibility

Corporate Social Responsibility Leadership

At senior management level two partners are responsible for setting and execution of the firm's CSR strategy. At an operational and middle management levels, a manager is responsible for the co-ordination of all CSI activities between regional offices and the national office, and between service lines. Partners in charge (PIC) of service lines are expected to allow time off work for staff members who wish to participate in the various CSI projects.

Top management's involvement and commitment to CSR can be regarded as high at E & Y and in accordance with Desai and Rittenburg, 1997. Since PICs are expected to allow time off for staff members to engage in CSI projects, it follows then that all effort is made to create enabling organisational structure for CSR. This is also in line with Jose and Thibodeaux, 1999.

Corporate Culture, Mission, Vision, Values and Corporate Social Responsibility

CSR is not well embedded into the firm's culture, mission, vision and values. However, according to Mr. Mazibuko, the firm has embarked on profiling CSR throughout the firm by making it an integral part of the induction course for all new recruits and through providing monthly desk-drops for all other staff members.

Organising for Corporate Social Responsibility

All CSR strategies are formulated and co-ordinated centrally from E & Y Illovo offices. Although CSI projects can be undertaken at Regional and Service Lines level, integration, budget allocation and co-ordination of effort is undertaken from the Illovo office.

The firm employs the network organisational structure at a regional and national basis during the execution of CSI projects. This aspect of organisational architecture is comparable to that proposed by Griffiths and Petrick, 2001.

The firm also uses the virtual organisational architectural structure when engaging on specific professional / industry CSI activities, such as the Thuthuka project, undertaken under the hospice of SAICA. E & Y firm does not use communities of practice organisational architecture.

Role of CSR Boards / Departments / Committees

The firm has a regional CSR committees based at each of the major regional offices which are responsible for setting CSI strategy, Key Performance Indicators and objectives. All these activities take place within guidelines laid down by the CSI Board at "head office" at Illovo. This is in accordance with Desai and Rittenburg, 1997.

The CSR Board determines the national CSI policies, strategies, goals and performance indicators and provides guidelines in which regional offices should operate. The Board also ensures that appropriate reporting to the various stakeholders is undertaken. The functions of the E& Y CSR Board are not entirely in line with those suggested by Kaptein, 1998.

The firm has a dedicated manager who is tasked with the operational CSI issues. In regard to the suggestion put forward by Bateman and Zeithaml, 1990, E & Y has a CSR Department and thus meets this requirement.

Codes of Conduct

The firm has developed different policies to address its responsibilities and priority areas. The firm has developed the code of ethics, which guide all partners and staff from an ethical standpoint. Moreover, the industry is regulated by Professional Codes of Conducted and various charters that are enacted by government. Collectively, these codes form a framework through in which the firm undertakes CSR activities. Since the firm's operations do not pose nor affect the environment negatively, there is no environmental policy.

Benchmarking against External Codes

The firm does not benchmark against any external codes.

6.3.3 Monitoring of Corporate Social Responsibility

Evaluation and Reporting Systems

The CSI committee is responsible for all reporting aspects of CSI to the Board. There are no clear evaluation and reporting systems, but progress attained on specific CSI initiatives is measured against set KPIs and objectives.

Reasons for evaluating and monitoring CSR and CSI initiatives are to promote progressive and transparent reporting to all the firm's stakeholders, showcase some of the CSR initiatives that the firm has been involved in, and articulate the progress attained in specific CSI projects. These reasons for evaluating and reporting are consistent with those suggested by Zadek, 2001.

Reports

The firm produces a Sustainability Report. The Report follows the guidelines of the GRI and is available on the firm's website. This sustainability reporting is comparable to Holland and Gibbon, although it does not cover financial and environmental aspects of reporting.

6.4 Cross- Case Analysis

In this section, the cross-case analysis presented will be based on results obtained from the within-case analysis. This section will also highlight major features detected during the within-case analysis and will emphasise similarities and differences between the three case studies in respect to the research questions.

6.4.1 Depicting Corporate Social Responsibility

PwC and Deloitte have adopted the term "CSR", whereas, E & Y has opted to adopt the term CSI. Similarities are not easily detectible without deep analysis of each of the firm's definition of the term CSR. Deloitte's definition includes terms such as, "management of business processes", "to generate stakeholder value" and "minimising adverse impact on the environment". The management of business processes implies operating within ethical and legal parameters to generate a return for all stakeholders, without jeopardising the very existence of the firm by engaging in unethical and illegal activities. Moreover, business activities can only be undertaken in a community, comprising of civil society, government and the environment. "Minimising the impact on the environment" aims at promoting the preservation of the external (physical) and enhancing internal (work) environments. The underlying message of all these statements is sustainability.

PwC's definition of the term includes, "interaction between businesses, government and community at large", "participate in activities that generate sustainable environment". E & Y use the terms such as, "community involvement", "sustainability" and "key partnerships". Comparing this definition to that of Deloitte and E & Y, similarities start to emerge, Deloitte refer to the "management of business processes", E&Y use the term "community involvement", whereas PwC use the term "interaction". For sustainability, PwC refers to "participate in activities that generate sustainable environment", whereas, Deloitte refer to, "minimising adverse impact on the environment". Both E & Y and PwC directly mention term "sustainability" in their definitions, whereas from the definition as provided by Deloitte the term can only be inferred. Of the three firms it is only PwC's definition which explicitly makes reference to the strategic importance of CSR. PwC and Deloitte view involvement in CSR as an investment, whereas, E & Y considers the same to be a direct cost. Although all firms do not expect direct returns from their CSR activities, they, emphasise that CSR is about public image, corporate brand profiling and being a good corporate citizen.

Areas of Corporate Social Responsibility

There are remarkable similarities that were detected in the area of CSR. All three firms' CSR strategies address issues around the workplace, community / society and customers (clients) and environment, although the same is not a key priority since their operations do not adversely affect the physical environment. All firms define areas of CSR based on their stakeholder group, for whom the firms have an obligation.

Activities of Corporate Social Responsibility

Again there are great similarities among the firms in respect to CSR activities. All three firms address and engage in diversity at the workplace, community support, employee support and product / services activities. Again, environmental issues and non domestic operations are treated exactly in the same manner. Also interesting was to note that all external activities are based on the firms' core business competencies and donations in the form of cash and bursaries. The firms also ranked there activities based on the current national priorities, of economic growth through job creation, education and health issues.

A summary of the activities of CSR is presented in table 2 below;-

Table 2: Cross- Case Analysis- Depicting Corporate Social Responsibility

Variable	KPMG	Deloitte	PwC	E & Y
Defining CSR Concept				
Obligation	**N/A**	⌂	⌂	⌂
Is CSR an Investment	**N/A**	⌂	⌂	o
Is CSR a Cost	**N/A**	o	o	⌂
Pursuing own Interest	**N/A**	⌂	⌂	⌂
Areas of CSR				
The Community	**N/A**	⌂	⌂	⌂
The Workplace	**N/A**	⌂	⌂	⌂
The Marketplace	**N/A**	⌂	⌂	⌂
The Environment	**N/A**	⌂	⌂	⌂
Activities of CSR				
Diversity	**N/A**	⌂	⌂	⌂
Employee Support	**N/A**	⌂	⌂	⌂
Community Support	**N/A**	⌂	⌂	⌂
Product	**N/A**	o	o	o
Non Domestic Operations	**N/A**	o	o	o

Notes:

N/A- Not applicable for KPMG since the firm declined to participate in the study.

⌂- Variable observed and is applicable to the firm.

o- Variable not observed and is not applicable to the firm.

6.4.2 Integrating Corporate Social Responsibility

Corporate Social Leadership

There is consensus amongst the firms in regard to the importance of management involvement when integrating CSR in the firm. All three firms emphasised the importance of executive level and top management's commitment and support when integrating CSR. Interesting to note also was that the executive level management, CEOs and/or Deputy CEOs take direct responsibility for the implementation and execution of the firm's CSR strategies, assisted by members of their senior management team. The setting of a conducive climate that supports and promotes CSR within organisation is facilitated mainly at senior and middle management levels.

Corporate Culture and Mission

All three respondents interviewed indicated the absolute importance for their firms to engage in CSR activities. They also viewed CSR to be a business imperative, though not all firms have a requisite corporate culture to support CSR initiatives. All the firms' vision and mission statements do not explicitly refer to the term CSR, but it is rather implied.

Organising for Corporate Social Responsibility

All three firms use the network organisational architecture widely, this is due to the fact CSR initiatives are jointly undertaken between different service lines within and offices. The virtual organisational architecture is used by all firms when engaging in profession or industry CSR initiatives. There is conclusive evidence that a community of practice organisational architecture is not used by any other three firms.

In regard to the formation of CSR Boards, the study found that only PwC has a CSR board and neither Deloitte nor E & Y have the same in place. Deloitte has opted to form the Deloitte Foundation (DF) through which all CSI initiatives within the firm are co-ordinated. The DF operates under the Corporate Citizenship Committee of the Deloitte Board of Directors. E & Y has a CSR committee and department instead. Also noted during the study was that despite the name of the body used for organising CSR, all firms had a senior management member(s) on the same. None of the bodies functioned as mediators, but rather played initiators, advisory and co-ordinator roles. There is also evidence that these bodies monitor CSR trends in the environment.

Codes of Conduct

All firms have different codes and conduct guidelines for partners, employees and staff. They include code of ethics which provide guidance to partners and staff in regard to integrity, transparency and independence when dealing with client reporting. To a great extent codes of conduct within the PCF sector is prescribed and governed by a number of statutory bodies which regulate the

profession. Instilling of the codes of conduct is achieved through communicating the same to all staff via various booklets and manuals.
The study has also revealed that the codes mostly emphasise potential ethical dilemmas that could result from unethical behaviour and conduct by staff and partners employed by PCFs.

Benchmarking against external Codes

None of the firms studied benchmark against any external codes.
Table 3 contains a summary of cross-case findings based on the second research question and contains only the variables that have previously not discussed.

Table 3: Cross-Case Analysis-Integrating Corporate Social Responsibility

Variable	KPMG	Deloitte	PwC	E & Y
CSR Leadership				
CEO & Top Management	N/A	⌂	⌂	⌂
Senior management Involvement	N/A	⌂	⌂	⌂
Middle Management Involvement	N/A	⌂	⌂	⌂
Management importance	N/A	⌂	⌂	⌂
Corporate Mission & Culture				
Emphasis on CSR	N/A	⌂	⌂	⌂
Inclusion in Mission & Vision	N/A	⌂	⌂	⌂
Organising for CSR				
Network	N/A	⌂	⌂	⌂
Virtual	N/A	⌂	⌂	⌂
Community of Practice	N/A	o	o	o
CSR Board				
Monitor CSR trends	N/A	⌂	⌂	o
Advisory function	N/A	⌂	⌂	o
Top Management part of Board	N/A	⌂	⌂	o
Formulation of CSR strategies	N/A	⌂	⌂	o
CSR Department				
Monitor CSR trends	N/A	o	o	⌂
Advisory function	N/A	o	o	⌂
Top Management part of Dept.	N/A	o	o	⌂
Formulation of CSR strategies	N/A	o	o	⌂
CSR Committees				
Chaneller	N/A	o	o	⌂
Initiator	N/A	o	o	⌂
Advocate	N/A	o	o	⌂
Mediator	N/A	o	o	⌂
Facilitator	N/A	o	o	⌂
Co-ordinator	N/A	o	o	⌂
Top Management being part of Comm.	N/A	o	o	⌂
Codes of Conduct				
Established Codes of Conduct	N/A	⌂	⌂	⌂

Notes:
N/A- Not applicable for KPMG since the firm declined to participate in the study.
⌂- Variable observed and is applicable to the firm.
o- Variable not observed and is not applicable to the firm.

6.4.3 Evaluating and Monitoring Corporate Social Responsibility

Evaluation and Reporting Systems

There is uniformity in regard to the reasons to why the three firm measure and report on their CSR initiatives. The three firms measure CSR performance based on set KPIs and objectives. They measure and report on CSR in order to inform their stakeholders of the type and nature of activities they have been involved in and to understand the impact of their interventions. The study has also revealed that none of the three firms, use standards, metrics or certificates, but the reports follows the GRI guidelines.

From a reporting to external stakeholders' perspective, PwC publishes Sustainability Report, Deloitte and E &Y publish a Stakeholders Report. Both types of reports cover and address virtually the same topics.

Table 4 below contains a summary of the different variables used for reporting.

Table 4: Cross- Case Analysis- Evaluating and Reporting of Corporate Social Responsibility

Variable	KPMG	Deloitte	PwC	E & Y
Reasons for Evaluating and Reporting CSR				
Explain activities to stakeholders	**N/A**	⌂	⌂	⌂
Review Progress against KPIs	**N/A**	⌂	⌂	⌂
Understand impact of initiatives	**N/A**	⌂	⌂	⌂
Understand implications of actions	**N/A**	⌂	⌂	⌂
Standards, Certificate				
GRI	**N/A**	⌂	⌂	⌂
SA 8000	**N/A**	o	o	o
OECD	**N/A**	o	o	o
Nature of Report				
Social Balance	**N/A**	o	o	o
Sustainability Reporting	**N/A**	o	⌂	o
Stakeholder Reporting	**N/A**	⌂	o	⌂
Social Auditing	**N/A**	o	o	o
Capital Valuation	**N/A**	o	o	o
Corporate Community Involvement	**N/A**	o	o	o

Notes:

N/A- Not applicable for KPMG since the firm declined to participate in the study.

⌂- Variable observed and is applicable to the firm.

o- Variable not observed and is not applicable to the firm.

6.5 Conclusion

The discussions and conclusion presented in this section are based on the research questions and purpose. The conclusion is derived from the analysis covered in sections 6.1, 6.2, 6.3 and 6.4.

6.5.1 Integrating CSR in Professional Consulting Firms

The purpose of the research: To understand how PCFs integrate CSR into their operations. In an attempt to achieve the above objective, the following research questions were formulated:-

- How do PCFs depict CSR;
- Integrate CSR;
- Monitor and Report on their CSR initiatives.

Findings of this study should be considered in relation to the research methodology used and the conclusions drawn are valid for the sample. Due to the fact that only three of the originally selected firms participated in the study, generalisations that are applicable for the three cannot be used for all PCFs. It is clear however, that the research is supportive on many theoretical variables studied.

6.6 Conclusion and Discussion

6.6.1 How do PCFs depict CSR?

The study has revealed specific conclusions in regard to how PCFs depict CSR;-

- All PCFs studied co-ordinate and monitor overall CSR / CSI initiatives centrally;
- CSR initiatives engaged in are very often related to their core competencies;
- PCFs place a lot of emphasis on community involvement through their CSI initiatives, they select and rank these initiatives in line with the national priorities, of education, job creation and health;

- PCFs do not place a lot of emphasis on environmental issues as a major component of CSR. This is because the type of services they offer do not affect nor impact the environment negatively;
- PCFs view CSR as an integral part of their operations;
- PCFs want to be regarded as prominent and perceived as such in the CSR field;
- Collectively PCFs do not view CSR as a cost, but rather as an investment;
- PCFs collectively undertake CSR in order to guarantee sustainability of their operations.

This research has also revealed that PCFs CSR work addresses specific areas, which include the workplace, community and marketplace. Although PCFs pursue very different CSI projects, they all carry out activities that include diversity, community and employee support, and to a lesser extent environment and products.

PCFs consider CSR as an integral part of their business, despite the fact that they do not specifically use the term when referring to the specific area of work. They consider CSR as an integral part of their strategy and this could explain why the fourth PCF (KPMG) declined to take part in the study. They perceive activities of CSR to be immense, and abstract as a result it is difficult to determine its components.

6.6.2 How do PCFs integrate CSR in their Operations

The study has revealed specific conclusions in regard to how PCFs integrate CSR into their operations;-

- Commitment from executive and top management is crucial for creating enabling environment for CSR in these firms;
- Strategic CSR decisions are made at senior management level;
- Various service lines are involved in PCFs CSR activities;
- They use the various types of network and teams when carrying CSR activities;
- PCFs have dedicated internal structures which are responsible for the execution of CSR;

- They do not conform to any external codes;
- Codes of conduct are not entirely formulated by the PCFs rather by regulatory bodies of the profession.

All three PCFs studied, identified executive and top management's involvement and support for the firm's CSR agenda as crucial in the creation of internal enabling environments for CSR, moreover, most of the CSR strategic decisions are made at these two levels.

Various service lines or departments are involved in CSR, this is because CSR is firm wide and the success thereof is inextricably linked to the commitment of all staff at various management levels and departments. It is important to note that PCFs make use of the various types of networks and teams when carrying out CSR activities. They have dedicated internal structures such as CSR departments, committees and boards tasked with CSR strategy formulation, implementation and monitoring progress against set KPI and objectives.

None of the three PCFs studied conform to any external code and the research has revealed that existing codes of conduct do not necessary arise out the desire to integrate CSR into their operations, but rather emanate from the various regulatory bodies that govern the profession.

Since all PCFs in the study operate nationally, there is a need to co-ordinate all CSR work from "head office", where the CSR budget and CSI initiatives are determined and controlled. Regional autonomy is to a greater extent limited to specifics, such as the nature of projects that can be undertaken. This is because from a reporting perspective, a consolidated report on initiatives undertaken by a firm will have a "bigger" impact, than would be the case if regional offices were to report independently.

6.6.3 How do PCFs evaluate and report on their CSR initiatives

The study has revealed specific conclusions in regard to how PCFs monitor and report CSR initiatives;-

- PCFs monitor and report on CSR work mainly to inform their stakeholders on the nature and type of activities that they have been involved in;
- They measure and report on employment equity, community involvement, employment equity and black economic empowerment activities with little or no emphasis on environmental issues;
- PCFs are searching for appropriate measurement methodologies to measure and report their CSR activities;
- All PCFs ascribe to the GRI guidelines when compiling their reports;
- All PCFs have well structured internal reporting structures, including pre-determined timelines and structure of reports;
- PCFs report virtually on the same CSR activities;
- PCFs do not use certificates and / or standards in their reporting.

Unanimously, all three PCFs studied indicated that underlying reasons for reporting is firstly to inform their stakeholders of the nature and type CSR activities that they have undertaken, assess the impact of their interventions and how they doing in regard to set KPIs and objectives.

It was interesting to note that all PCFs report mainly on their community involvement activities, Employment equity and Black Economic Empowerment issues this is because these are areas where their contribution can make a positive impact and these are currently national imperatives.

Currently, the PCFs studied do not have an appropriate and convenient measuring metrics as a result it is sometimes difficult for them to measure some aspects of their CSR interventions.

Also noted from the study, is that the PCFs have well internal reporting structures, with assigned individuals responsible for reporting, set reporting timelines and report formats.

Suggestions for Future Research

Although it is possible to assume that this research has contributed to theory by providing an understanding on how PCFs integrate CSR into their operations, and specific conclusions can be made, it does not provide generalisations for the entire financial services sector. This study, set out to review only four firms, which are perceived to be among the largest in the sector and did not investigate the smaller black owned and managed PCFs. In addition, the study did not take a sectoral view, but rather approached the research topic from a firm's perspective.

For future research purposes, it is recommended that research in this area takes a sectoral view in order to understand how firms in the financial services sector would approach the integration of CSR into their operations. Moreover, it will be of interest to approach the research topic from a stakeholder perspective, as this will inform what CSR areas are of importance to stakeholders and thus accord firms in this sector an opportunity to formulate appropriate strategies to address the needs and expectation of stakeholders.

Chapter Seven: Publishable Article

Integrating Corporate Social Responsibility in the "Big Four" Professional Consulting Firms in South Africa.

J.R.L. Kibuuka

"Corporate social responsibility means something, but not always the same thing to everybody". Vataw and Sethi (in Marrewijk,2003). From this statement, it seems that the definition, application and interpretation of the term corporate social responsibility (CSR) vary widely between companies, business sectors and countries.

Introduction

In the past decades, business has faced increasing scrutiny and criticism from the public. As a result many charges have been levelled at it- charges that it has very little concern for the customer, partners and employees and as such has no notion of ethical behaviour and is totally indifferent to the well-being of the physical environment.

These concerns and others are being expressed as to what responsibilities business has towards the society in which it operates and resides. These concerns have generated numerous pleas for corporate social responsibility or CSR.

The notion of business sustainability in South Africa, if not nationwide, is under increasing scrutiny, this has been exacerbated by the recent spate of corporate failures, both locally and abroad. This state of affairs has inevitably raised questions about the standards of governance and ethical conduct. The globalisation and integration of the world economy has also introduced a concept of mobility of capital, people, information, products and services across borders and continents with increased ease. Business has come to recognise that the world's resources are finite and that a link exists between the environment, society and economic prosperity. The result is that there is an ever growing number of national and international body standards reflecting expectations of corporate practice and conduct. These bodies are now increasingly calling on the corporate community to account for its actions to a broad range of stakeholders impacted by its activities.

The aim of this research is to investigate how the "big four" Professional Consulting Service Firms (PCFs), namely KPMG, Deloitte, PricewaterhouseCoopers (PwC) and Enrst & Young (E&Y) interpret the concept of Corporate Social Responsibility. Since there is evidence of conflicting information on how these firms perceive CSR and there are no absolute guidelines in existence for the integration of CSR into their operations, the research will attempt develop an understanding of how PCFs integrate CSR into their operations, in doing so the research will explore;-

- How PCFs depict CSR;
- Incorporate CSR;
- Monitor and report on their CSR initiatives.

Limitations

The study will concentrate on how these firms undertake the same in South Africa and does not consider nor attempt to take neither a global nor a sectoral perspective. As such it may suffer from a degree of South African bias, given the fact that all the interviews and discussions will be conducted in South Africa.

In addition to the above, the study will concentrate on the research purpose and will attempt to answer the formulated research question, and will be limited on how the "big four" multinational Professional Consulting firms (in the accounting and auditing disciplines) incorporate CSR into their operations in present day South Africa, furthermore, the study will be conducted from a firm perspective.

Literature Review

The concept of CSR as we today was developed in the United States of America after the traditional or classical economic model, Carroll and Buchholtz 2000. The main point of departure from the economic model was Adam Smith's concept of the "invisible hand". The classical view held that a society could determine its needs and wants through the market place and if business simply responded to these demands, society would indeed get what wants of business. In return, business would be rewarded on its ability to respond to the demands of the market (society) and the self interest pursuit of profit would necessarily result in what society getting what it wants. Although, the market decided what goods and services were to be produced, it did not ensure that business always acted fairly and ethically in the pursuit of providing for the market. This state of affairs, later called for laws to be enacted to constrain business behaviour, which changed society's expectations of business from being purely economic to encompass all the other aspects that had previously been at the discretion of business.

Modifications to the classical economic model, introduced three areas, namely philanthropy, community obligations and paternalism. From a philanthropic perspective, business made contributions to charity and other worthy causes, whereas the aspect of community obligations entailed business contributing to the improvement, beautifying and upliftment to the greater external environment in which it operated. (ibid).

Paternalism emerged in the later part of the nineteenth century, in many forms and introduced the policy of business protecting employees while exerting considerable control over their activities. The advent of large corporations in the late 1800s and the moving away from the traditional view paved way for corporates to evolve from the economic structure of minute, ineffective firms governed by the marketplace, to sizeable corporates with a considerable power base. This era market the beginning of the concept of business responsibility towards society. (ibid).

According to N.J. Mitchell, 2001, the evolution of corporate social responsibility was particularly philanthropic, developed by American business leaders as a response to the antibusiness fervour that emerged in late 1800s and early 1900s. Business leaders also came to realise that through public opinion, government could intervene in the economy, and thus there was a need for an ideology that endorsed corporates as a force for social good.

The 1950s marked a period during which the concept of corporate social responsibility (as we know it today) received greater acceptance and broadened in meaning, beginning with Howard R. Bowen-"the father of CSR", Carroll, 1999. This period marked a shift from viewing corporate responsibility as mere awareness of social and moral concerns to emphasing specific issues, such as environmental protection, ethical behaviour, affirmative action and employment equity.

K. Davis and R. Blomstrom, 1996, provide another definition of CSR, "Social responsibility is the obligation of decision makers to take actions which protect and improve the welfare of society as a whole along with their own interests". This definition introduces two important aspects of CSR, namely protecting and improving. Through protection, business undertakes to desist from practices that will negatively impact society. Through improvement, business endeavours to engage in activities that would benefit society positively. This definition also contains indistinct terms that are subject to different interpretation by business and corporates when it comes to translating the CSR concept into operational strategies.

Yet another definition by J. McGuire, 1963, attempts to define the concept of CSR. McGuire states: "The idea of social responsibility supposes that the corporation has not only economic and legal obligations, but also certain responsibilities to society that extend beyond these obligations". Although this statement is quite general, it does however, acknowledge the importance of corporate economic objectives alongside legal obligations, while addressing a broader concept of the firm's responsibilities.

A definition by E. Epstein, 1973, highlights management's concern with stakeholders and ethics. "Corporate social responsibility relates primarily to achieving outcomes from organisational decisions concerning specific issues or problems which (by some normative standard) have beneficial rather than adverse effects upon which pertinent corporate stakeholders. The normative correctness of the products of corporate actions has been the main focus of corporate responsibility." This definition introduces the concept of outcomes or products which are resultants of corporate activities that accrue to stakeholders.

A. Carroll's four part definition outlines the types of social responsibility "areas" that a business has namely economic, legal, ethical and philanthropic responsibilities. This definition emphasises both the legal and economic expectations of business to social concerns[5].

Economic responsibilities are primarily aimed at business making a profit through the provision of goods and services to society at a "fair" price. The legal responsibilities require business to operate within the framework of laws and rules as sanctioned by society.

Legal responsibilities reflect the view of codified ethics. Ethical responsibilities encompass norms, standards and expectations that are not necessarily codified into law, although they embrace activities and practices that are expected or prohibited by society. These norms reflect what the various stakeholder bodies and community regard as just and moral. Ethical responsibilities are constantly under scrutiny by the public and as such are difficult for business to agree upon.

The fourth responsibility is philanthropic; this "type" of responsibility is viewed as purely discretionary on part of business. They are not mandated by law and not generally expected of business in an ethical sense. Here, a distinction has to be made between ethical and voluntary (philanthropic) responsibilities. Philanthropic responsibilities are not generally expected of business in a

[5] Concerns refer to ethical and voluntary responsibilities.

moral sense, although it is desirable for business to participate in philanthropic activities in order to be viewed as a good corporate citizen.

A. Carroll and K. Buchholtz, 2000, summarise CSR as: "The social responsibility of business encompasses the economic, legal, ethical and philanthropic expectations placed on the organisation by society at a given point". This definition considers each of the four categories as one facet of the total social responsibility of a business. It follows then that business can only meet its social obligation by engaging in activities, practices and programmes that simultaneously fulfil all four components mentioned above.

From a managerial and practical point of view, the four part definition, a socially responsive firm will always strive to make a profit (economic), operate within the legal framework (Legal responsibility), be ethical (ethical responsibility) and be a good corporate citizen (philanthropic responsibilities). The Four Part Model of Corporate Social Responsibility the cornerstone in the theoretical development of CSR and provides a holistic and structural definition of the principle components of CSR. This definition presents a stakeholder perspective to corporate responsibility in terms of the varying priorities in which stakeholders are affected.

Research Methodology

Research involves a variety of activities and can be categorised according to its function and/or purpose. Depending on the purpose of the research, it can be classified as either being exploratory, explanatory or descriptive. According to Zikmund, 2000, the purpose of exploratory research is to clarify ambiguous problems and to reach a better understanding about the nature of the problem. As such the use of exploratory research is appropriate in instances where there is little prior knowledge of the problem. Literature review has revealed that there is conflicting and ambiguous information on how these corporations perceive and interpret the concept of CSR and little information has been found that has specifically been formulated on how the concept is integrated into their operations. The purpose of the study is to gain a better understanding of how PCFs integrate the concept of CSR into their operations, renders the study exploratory. The study is also descriptive, since it attempts to describe how PCFs integrate, monitor and report on their CSR initiatives.

Research has two components namely, methodological and theoretical approaches. The methodological approach may either be qualitative or quantitative, whereas, the theoretical approach maybe inductive or deductive. According to Nyberg, 2000, the aim of qualitative research is to interpret and understand phenomena by asking questions such as whom, how and why. By applying this definition to the research questions, and by analysing the aim of the study, a qualitative approach is more appropriate.

According to Zikmund, 2000, in research two approaches maybe used when drawing conclusions. The inductive approach is used when a researcher draws a conclusion from an observed phenomenon and establishes a general theory, conclusion or model. A deductive approach is however used when a researcher forms a hypothesis or testable statement based on already established theory. For this study, a deductive approach is used, since all conclusions will be drawn from general assumptions and established theories have been used as a basis for the study and for the formulation of the research questions.

A qualitative type of research was used for this research study. The decision to use the qualitative method for the study was determined primarily by the nature and aim of research. The nature of the research is exploratory and as such relied heavily on qualitative techniques. Moreover, according to Nyberg, 2000, the aim of qualitative research is to interpret and understand a phenomenon by asking questions. According to Zikmund, 2000, qualitative research is concerned with words, observations, interpretations, stories and other meaningful descriptions. Holme and Slovang (1997), point out that the focus of qualitative methods is to provide a deeper understanding of a problem rather than to give information a general approach.

In contrast, quantitative methods aim to explain and measure a phenomenon. According to Donald R. Cooper and Pamela S. Schindler, 2001, "qualitative refers to the meaning, the definition or analogy or model or metaphor, while quantitative assumes the meaning and refers to a measure of it." From this definition, it is evident that quantitative methods deals with questions of how much, many and often. Answers to these questions are most often measured, calculated with statistical methods, and the focus is mainly on numbers and figures rather than words, Zikmund, 2000.

Since the research seeks to gain a better understanding of how the "big four" PCFs integrate CSR into their operations in South Africa and the answers cannot be measured nor quantified in figures, a qualitative approach was the most apt method to use for this type of research.

Sources of data when conducting a case study maybe derived from varied and different sources. According to Yin, 1994, there are six sources of evidence when collecting data, namely, archival records, interviews, direct observations, participant observation, physical artifacts and documentation. For a case study to be of high quality it should have as many sources of information as possible, this is due to the fact that no single source of information has absolute advantage over others, but rather complement each other. In this study, interviews and documentation data collection methods were used. The desired approach for case studies is known as triangulation, which entails the use of multiple sources of data collection methods.

Three types of question methods can be used when conducting interviews, each method has its own advantages and disadvantages associated with it. These are personal, telephone and questionnaires. In this study, a combination of all three methods was be used.

Data can be classified as either primary or secondary. Primary data can be defined as data that is gathered to specifically to answer a research question. The draw back of primary data is that it could be expensive and time consuming to collect, Zikmund, 2000.

Primary data was collected through open ended interviews with key personnel and identified champions of corporate social responsibility within their respective organisations. Also reviewed were company documentation, CSR reports and publications. Other data collection methods such as, direct and participant observation, archival records and physical artifacts were not be used for research purposes. Secondary data was collected via the respective company's website, over the internet and libraries.

Sample selection involves any procedure that uses a part of the target population. Zikmund, 2000, highlights that there are two alternatives on how to select an appropriate sample, namely probability or random sampling and non probability or non-random sampling. Probability sampling affords every element of the population a know probability of selection, while non probability sampling involves the selection of a sample based on some basis, such as personal or convenience (ibid).

For this study, a non probability sampling was used and made in stages, following certain criteria. The first criteria followed was that firms selected had to be Multi National Professional Consulting Firms in the auditing and accounting disciplines, since the focus of the research was on these firms, the firms had to have offices or operations in South Africa, this criterion was based on the limitation of financial and time resources and the firms had to be currently engaged in CSR activities. There only four firms that met these criterion are KPMG, Delloitte, PricewaterhouseCoopers (PwC) and Enrst & Young (E & Y).

Respondents were identified based on their role in the firms. These individuals were all champions or managers tasked to overlook CSR initiatives within their respective organisations.

The method of the study is qualitative and as such archival records as a data collection method was not suitable. The direct observation method was discarded as a suitable collection method, since it could be time consuming and costly.

Participant observation was rejected as an appropriate data collection method because it introduces a certain degree of bias due to the investigator's manipulation of events. Even though the physical artifacts method of data collection can provide useful insight into cultural features and technical operations, it posed specific weaknesses of selectivity and availability, and as such was not appropriate as data collection method.

Documentation as a data collection method, introduces certain strengths that are most consistent with the compilation of a good case study. These strengths include broad coverage (many events, long span of time and settings), exactness (captures details of events and references), unobtrusive and can be reviewed repeatedly. The limitations associated with this method range from low retrievalibility, biased selectivity, reporting bias and ease of access.

Interviews as a data collection method also introduce strengths of insightfulness (provides inferences) and focus during discussions with the interviewee. However, there are weaknesses associated with interviews, namely reflexivity, bias as a result of poorly constructed questions and inaccuracies based on poor recall of the respondent.

A combination of factors listed above and the fact that corporate social responsibility is a social phenomenon that can only be researched qualitatively, the only two data collection methods that were most apt for this study were interviews and documentation and hence were used.

According to Cooper. D.R and Schindler. P.M, 2001, a proposition is defined as "a statement about concepts that maybe judged as true or false if it refers to the observable phenomena." Applying this definition to the research question developed for the study, there will be no scope for true or false judgements, instead the research questions can be answered descriptively through the direct engagement with those individuals or champions of CSR in their respective firms, by reviewing of relevant company publications and literature.

Data analysis implies examining, categorising, tabulating or recombining evidence Yin, 1994. There are two categories; the first relies on the theoretical proposition and analysing data according to the research questions and frame of reference derived from the literature. The second strategy implies that the researcher develops a case description and descriptive framework in order to present the data. (ibid). In this study the first strategy was used since the research questions and the frame of reference were derived from the theoretical propositions.

Miles and Hubberman, 1994, point out that data analysis consists of three concurrent activities, namely data reduction, data display and drawing conclusions. Data reduction aids researchers to sort and organise data, whereas, data display means taking the reduced data and displaying it in an organised fashion in order to draw conclusions about it. Interpretation of data implies giving the different findings a meaning through observing patterns, explanations and casual follows, which is conclusion drawing and verification.

The Mile and Hubbernam methodology was followed during data analysis. The data was reduced in each case study and research question through a within case analysis. This meant that data from a specific case was compared to theory. The cross-case analysis was used to compare cases with each other in order to detect similarities and differences of the different cases. The cross-case analysis was also used to further assist in the reducing and displaying of data. Conclusion drawing and verification was the last step, where conclusions were drawn from the findings of the research.

Aaker, 1998, define validity as the ability of a measurement instrument to measure what was supposed to measure and therefore is concerned with the quality of research. According to Yin, 1994, there are three tests to be used when judging the quality of case studies, namely internal validity, construct validity and external validity. Internal validity is only applicable to explanatory studies, or instances where the researcher is trying to determine causal relationships. This study is exploratory and descriptive and as such internal validity is not applicable.

In order to ensure construct validity, the interview guide was sent to the supervisor prior to the interviews in order to seek his opinion of whether the same was understandable and clear and indeed will serve the purpose for which it was designed. In addition, all interviews were recorded and detailed notes taken in order to provide a record and a reference for proceedings.
Furthermore, all data collected was sent back to the respondents for their evaluation, it hoped that this action will assisted in confirming whether or not the information provided by the respondents was correctly interpreted and where misinterpretation occurred, clarity would be given by the same. This aspect also increased the construct validity of the research.

By definition external validity is concerned with knowing whether the findings of the research are generalisable or not. External validity for the research was achieved through testing the theory in the three different case studies. This does not however, imply that the findings will be generalisable outside the boundaries of this research.

Reliability is concerned with estimates of the degree to which a measurement is free of random or unstable errors", Cooper D.R. and Schindler P.S, 2001:215. This statement implies that regardless of time lapses, situation and researcher, similar results can be attained. In regard to this study, reliability was ensured by informing the respondents of the topic well in advance and supplying them with the interview guide prior to the interviews taking place. This accorded the respondents sufficient time to prepare and increase the possibility of providing accurate answers during the interview sessions. Respondents were encouraged to talk freely, no leading questions were used during the interview sessions. The interviews were conducted in English, since all respondents are fluent in the language and used as the primary medium of communication within their respective firms.

Consolidated Frame of Reference

A frame of reference was developed based on the literature review, this was achieved by interrogating current theories on the topic. The frame of reference was then used to guide the collection and compilation of the relevant data used in answering the research question.

In regard to how PCFs depict CSR, A. Carroll's four part definition that outlines the types of social responsibility "areas" that a business has namely economic, legal, ethical and philanthropic responsibilities was used. According to Andriof and McIntosh, 2001, corporations that are truly socially focused can step up their obligations in four main areas namely, *the environment, the workplace, the community and market place.* In order to fulfil the aim of the study, it was crucial to understand how PCFs describe or depict the concept of CSR and the four main areas of CSR mentioned above provided a basis for the same.

The next area that was examined was the activities encapsulated in the CSR. Despite the fact that there are various opinions on the subject, the Sen and Bhattacharya, 2001, six areas of activities of CSR were used; *Community Support, Diversity, Employee Support, the Environment, Non Domestic Operations and Products.*

For purposes of investigating how PCFs integrate CSR, commonly alluded to techniques were used. *Management structures, corporate culture and mission.* The communication component was not taken into consideration since it would have been difficult to examine within the limitation of this study. Carroll, 2001, points out that moral leadership and top management that understands elements of CSR and how to implement it in organisations are key factors for success for any firm that attempts to be a good corporate citizen. According to Jose and Thibodeaux, 1999, management is important to set the right climate, since people are influenced and learn by others.

It is urged that corporate culture and mission are crucial for instilling CSR in organizations, for this reason greater emphasis should be placed on serving society at large and mission statements should reflect the firm's commitment to social responsibility.

In order for organizations to be truly responsive towards CSR, specific internal organizational architectures are required, in this regard Griffiths and Petrick, 2001, put forward three team based structures, namely, network, virtual and communities of practice organizations. Each architecture type will be investigated.

In organizing for CSR, some firms have opted to create special CSR Boards, CSR Committees and/or Departments. According to Bateman and Zeithaml, 1990, the role of CSR Boards, Departments and Committees is to monitor key events and trends in the environment in which the firm operates and to address their impacts on the firm's operations. Karake-Shalhoub, 1999, urges that CSR committees serve two distinct functions within a firm. They can lend legitimacy to the consideration of a social and ethics agenda at the highest level of the firms' decision making and can act as communication vehicles to both external and internal stakeholders of the firms' commitment to social and ethical principles of conducting business.

In respect to monitoring and evaluating CSR, Holland and Gibbon, 2001, suggest that organisations measure and report on their CSR activities in order to be accountable to their stakeholders, and motivation to do so reflects the firms' ethical stance and value systems. In addition companies measure their CSR initiatives to gain a better understanding of what they are striving to achieve, the implications of what they are undertaking and how to measure performance against their aims, Zadek, 2001. Collectively, the measurement of CSR provides a retrospective assessment of events that could lead to the review of practical options for improving the company's social performance.

There are no agreed measurement systems and absolute benchmarks in existence for measuring, evaluating, and reporting CSR, however, examples of commonly used systems are given. These include, the Global Reporting Initiative (GRI), The Caux Round Table (CRT), Social Accountability 8000 and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. A CSR Measurement Model developed by Prof. Donna Wood is based on three levels, namely, the principles of social responsibility, the processes of social responsiveness and the outcomes as they relate to the firm's societal relationships. However, the measurement of CSR will not be considered in this research.

There are also standards, certificates and guidelines that companies can make use of when assessing their CSR initiatives. Commonly referred standards, certificates and guideline are sustainability reporting, social auditing, social balance, stakeholder reporting and capital valuation. These will be used in the research study.

Findings and conclusion of the study

Findings of this study should be considered in relation to the research methodology used and the conclusions drawn are valid for the sample. Due to the fact that only three of the originally selected firms participated in the study, generalisations that are applicable for the three cannot be used for all PCFs. It is clear however, that the research is supportive on many theoretical variables studied.

How do PCFs depict CSR?

The study has revealed specific conclusions in regard to how PCFs depict CSR;-

- All PCFs studied co-ordinate and monitor overall CSR / CSI initiatives centrally;
- CSR initiatives engaged in are very often related to their core competencies;
- PCFs place a lot of emphasis on community involvement through their CSI initiatives, they select and rank these initiatives in line with the national priorities, of education, job creation and health;

- PCFs do not place a lot of emphasis on environmental issues as a major component of CSR. This is because the type of services the offer do not affect nor impact the environment negatively;
- PCFs view CSR as an integral part of their operations;
- PCFs want to be regarded as prominent and perceived as prominent is the CSR field;
- Collectively PCFs do not view CSR as a cost, but rather as an investment;
- PCFs collectively undertake CSR in order to guarantee sustainability of their operations.

The research also revealed that PCFs CSR work addresses specific areas, which include the workplace, community and marketplace. Although PCFs pursue very different CSI projects, they all carry out activities that include diversity, community and employee support, and to a lesser extent environment and products.

PCFs consider CSR as an integral part of their business, despite the fact that they do not specifically use the term when referring to the specific area of work. They consider CSR as an integral part of their strategy and this could explain why the fourth PCF (KPMG) declined to take part in the study. They perceive activities of CSR to be immense, and abstract as a result it is difficult to determine its components.

How do PCFs integrate CSR in their Operations

The study has revealed specific conclusions in regard to how PCFs integrate CSR into their operations;-

- Commitment from executive and top management is crucial for creating enabling environment for CSR in these firms;
- Strategic CSR decisions are made at senior management level;
- Various service lines are involved in PCFs CSR activities;
- They use the various types of network and teams when carrying CSR activities;
- PCFs have dedicated internal structures that which are responsible for the execution of CSR.

- They do not conform to any external codes;
- Codes of conduct are not entirely formulated by the PCFs rather by regulatory bodies of the profession;

All three PCFs studied, identified executive and top management's involvement and support for the firm's CSR agenda as crucial in the creation of internal enabling environments for CSR, moreover, most of the CSR strategic decisions are made at these two levels.

Various service lines or departments are involved in CSR, this is because CSR is firm wide and the success thereof is inextricably linked to the commitment of all staff at various management levels and departments. It is important to note that PCFs make use of the various types of networks and teams when carrying out CSR activities. They have dedicated internal structures such as CSR departments, committees and boards tasked with CSR strategy formulation, implementation and monitoring progress against set KPI and objectives.

None of the three PCFs studied conform to any external code and the research has also revealed that existing codes of conduct do not necessary arise out the desire to integrate CSR into their operations, but rather emanate from the various regulatory bodies that govern the profession.

Since all PCFs in the study operate nationally, there is a need to co-ordinate all CSR work from "head office", where the CSR budget and CSI initiatives are determined and controlled. Regional autonomy is to a greater extent limited to specifics, such as the nature of projects that can be undertaken. This is because from a reporting perspective, a consolidated report on initiatives undertaken by a firm will have a "bigger" impact as would be the case if regional offices were to report independently.

How do PCFs evaluate and report on their CSR initiatives

The study revealed specific conclusions in regard to how PCFs monitor and report CSR initiatives;-

- PCFs monitor and report on CSR work mainly to inform their stakeholders on the nature and type of activities that they have been involved in;
- They measure and report on employment equity, community involvement, employment equity and black economic empowerment activities with little or no emphasis on environmental issues;
- PCFs are searching for appropriate measurement methodologies to measure and report their CSR activities;
- All PCFs ascribe to the GRI guidelines when compiling their reports;
- All PCFs have well structured internal reporting structures, including pre-determined timelines and structure of reports;
- PCFs report on virtually on the same CSR activities;
- PCFs do not use certificates and standards in their reporting.

Unanimously, all three PCFs studied indicated that underlying reasons for reporting is firstly to inform their stakeholders of the nature and type CSR activities that they have undertaken, assess the impact of their interventions and how they doing in regard to set KPIs and objectives.

It was interesting to note that all PCFs report mainly on their community involvement activities, Employment equity and Black Economic Empowerment issues this is because these are areas where their contribution can make a positive impact and these are currently national imperatives.

Currently, the PCFs studied do not have an appropriate and convenient measuring metrics, as a result it is sometimes difficult for them to difficult to measure some aspects of their CSR interventions.

Also noted from the study, was that the PCFs have well internal reporting structures, with assigned individuals responsible for reporting, set reporting timelines and report formats.

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CONSENT TO SUBMIT RESEARCH REPORT

Consent is hereby given to JRL Kibuuka student no. 0892 213 6 to submit his research report in its final form

STUDY LEADER: Prof. M H Crosbie DATE