

# THE CONTEXTUALISATION OF CSR IN NATIONAL BUSINESS SYSTEMS IN SUB-SAHARAN AFRICA

BEN-Africa Conference – Accra, Aug 2009



# Introduction

- **Central question:**
  - How should the relationship between business entities and the social and environmental contexts within which they operate be understood, constructed and managed?
- **Conference themes:**
  - Conceptualisation and the use of language
  - Ethics, values and virtues
  - Indigenous African norms
  - Global standards, local contexts
  - The role of education

# Workshop agenda

- Overview of a 2009 GTZ survey on CSR in sub-Saharan Africa
- Interpretation and reflection on survey results
- Contextually relevant CSR development strategies for the sub-Saharan region

# Survey overview

Corporate Social Responsibility in sub-Saharan Africa: A survey on promoting and hindering factors.

Published by GTZ on behalf of the German Ministry for Economic Cooperation and Development with funding by the British High Commission in South Africa.

# Survey profile

- Six countries
  - Ghana, Kenya, Malawi
  - Mozambique, Namibia, South Africa
- 85 companies
  - Multi-nationals and locals
  - Private and public
  - Industries: financial, manufacturing, services, retail, ICT, mining and extraction



# Survey objectives

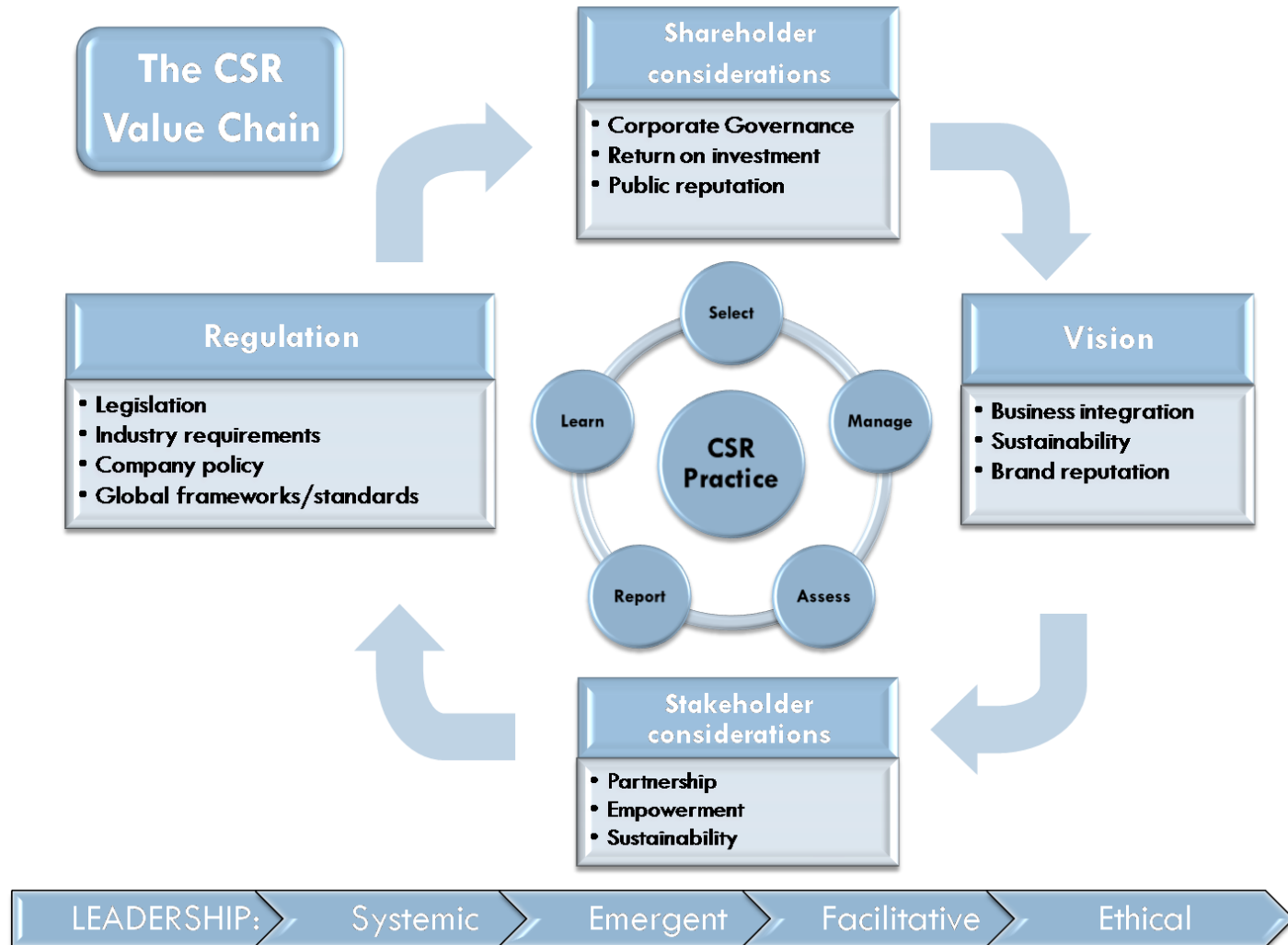
- To identify and gain deeper insight into **factors that promote or hinder success in CSR project management and delivery**, and on the basis thereof,
- to arrive at **conclusions and recommendations about enabling instruments** that will benefit, strengthen and expand CSR impact in the region.

# CSR definition

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- The way in which companies exercise responsibility and accountability for the economic, social and environmental impact of their business decisions and behaviours. (GTZ report, p 9)

# Methodological framework



# Aspects of the survey



- CSR positioning and structure
- CSR values and policy framework
- CSR practice and projects
- CSR future trends and development needs

# CSR positioning and structure

- **Positioning:** Marketing, Communications, Corporate Affairs; HR/Training; CSR/CSI; MD/CEO; Finance
- **Staffing:** few dedicated CSR staff resources; <20 - 40% of time
- **Focus areas:** education and training, healthcare, environment
- **Financial data:** generally not available

# CSR values and policy framework

- **Global** agreements/guidelines: 50%;  
MDG's/UNGC
- **Corporate** CSR policies: 60%; generally not publicly available
- **Rationale** for CSR: socio-economic development, business image, core business activity enhancement
  - ▣ gap between rationale and reality
- Senior **leadership** involvement: mainly its presence at community projects and activities; some initiation of policy

# CSR practices and projects

- **Focus:** community and environment
- **Dominant factors in project selection:** community needs; business opportunities; policy drivers
- **Success factors in project management:** natural capacities and capabilities of companies
- **Challenges in project management:** governance, management and accounting practices of beneficiary institutions
- **Impact assessment:** < 50% of companies
- **Reporting:** mainly internal, often not documented
- **Learning:** limited and mainly for project improvement and not for organisational development

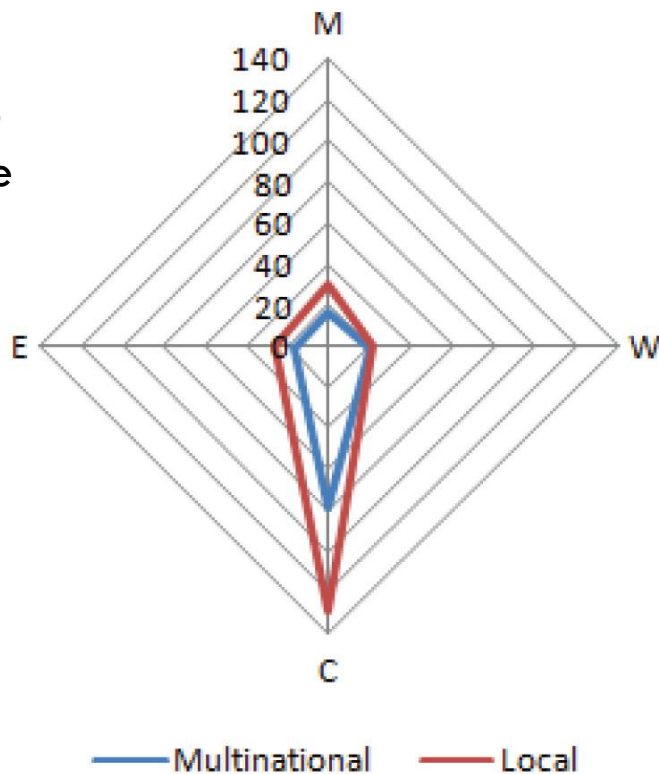
# Areas of CSR Application



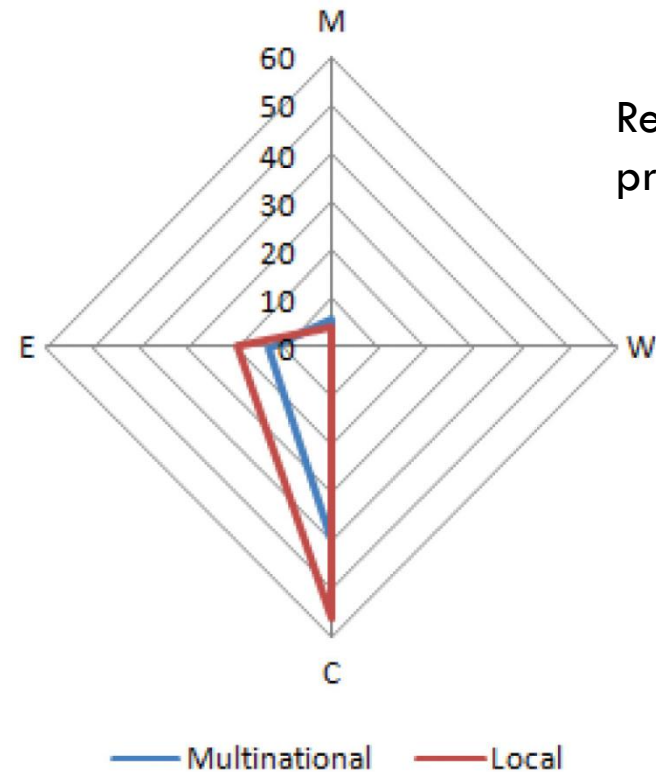
(Crane, Matten & Spencer, 2008)

# Focus (rationale) vs projects (reality)

Focus ito  
rationale



Reality ito  
projects



# CSR future trends and development needs

- Strong intention to improve scope of CSR impact and to improve CSR function
- Need for support regarding strategy formulation and impact assessment development
- Prefer instruments such as training, peer exchange and case studies
- Desire endorsement and development support from governments

# Eight promoting and hindering factors

- Leadership and governance
- Policy framework
- Project management
- Monitoring, evaluation and reporting
- Stakeholder engagement
- Government
- Beneficiation
- Funding

# For discussion

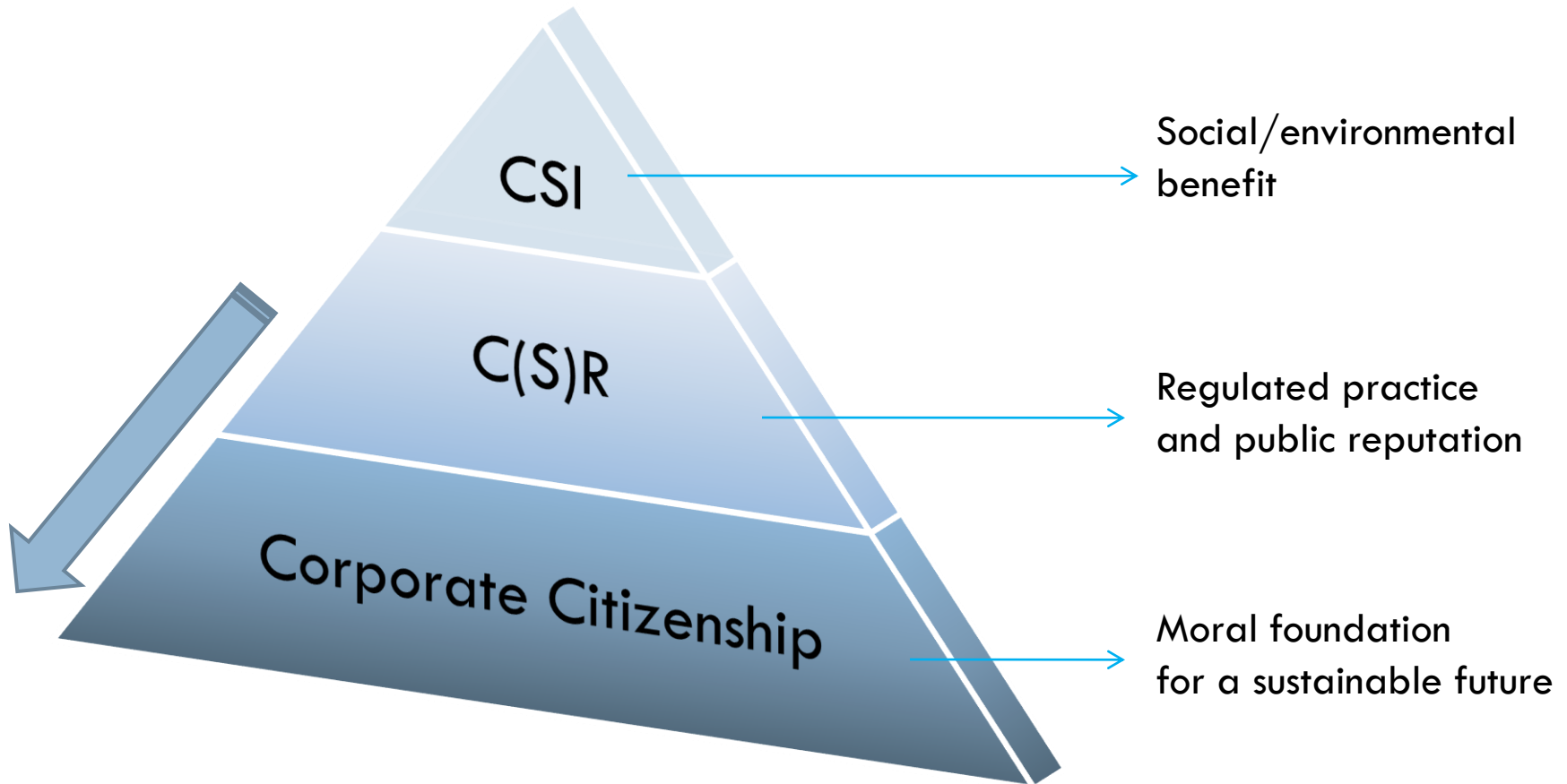
- To what extent do these results
  - concur with delegates' own experience or observations,
  - surprise or offer new perspectives, or
  - pose debatable perspectives or conclusions?

# Interpretation and reflection

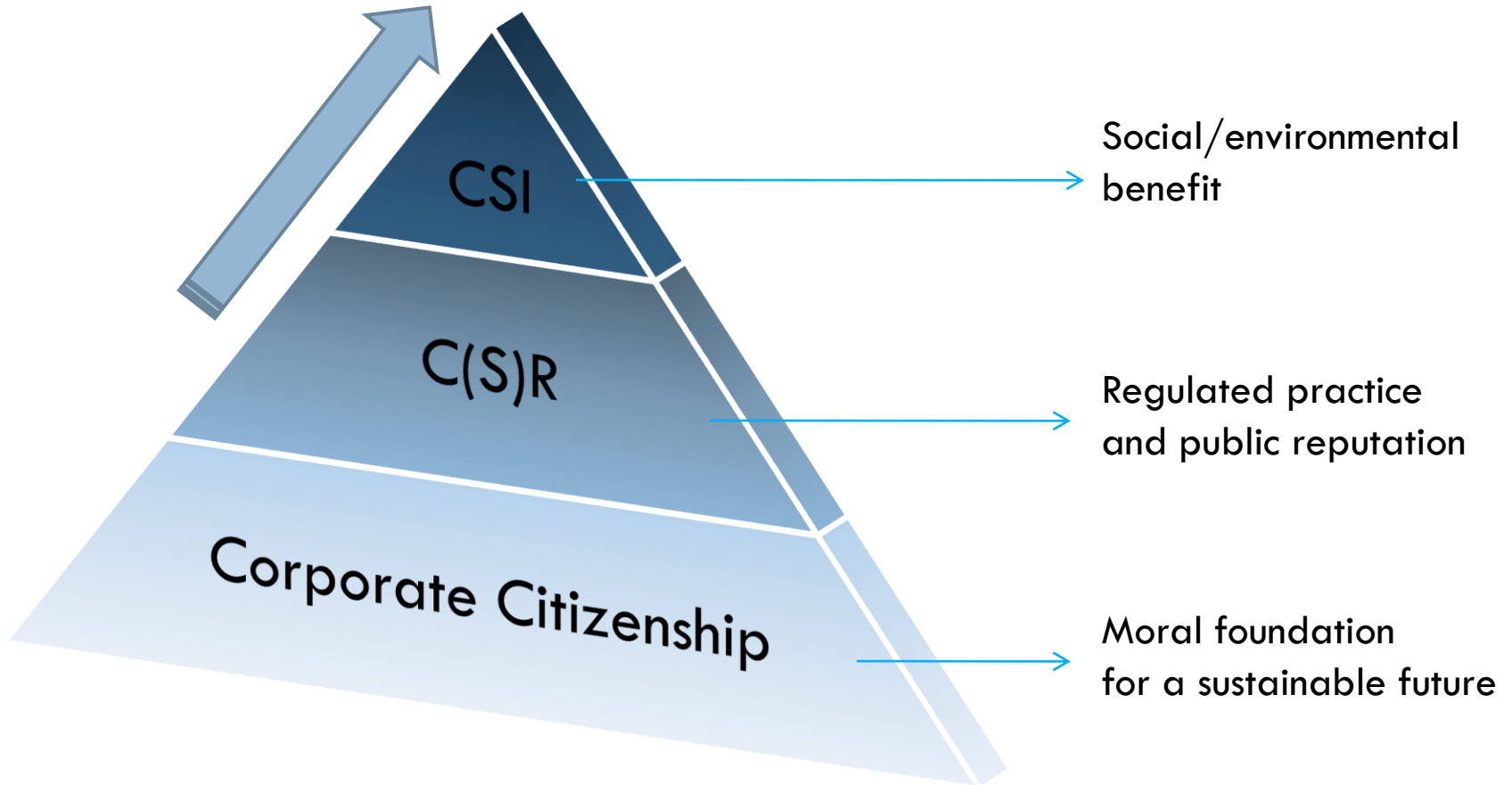
# Questions for deeper reflection

- What is unique about the understanding of CSR in sub-Saharan Africa that should be appreciated, maintained, further developed and even exported to other regions?
- How will globalisation, and especially CSR trends, continue to impact the profile of CSR development in the sub-Saharan region?

# Emphasis in developed economies



# Emphasis in developing economies



# The explicit – implicit differential

- Matten & Moon (2008): Why forms of business responsibility for society both differ among countries and change within them?
- Institutional theory (Tempel & Walgenbach, 2007) as framework
  - ▣ *New institutionalism*: the global diffusion of practices and the adoption of these by institutions – pushes toward isomorphism
  - ▣ *Business systems approach*: the influence of national institutional frameworks on business organisations – pushes toward distinctiveness
  - ▣ *Structuration theory* (Giddens, 1984): companies *interpret* global developments and synthesize in terms of local conditions

- **Matten & Moon (2008): National business systems are defined in terms of**
  - Political systems (power of the state)
  - Financial systems
  - Education and labour systems
  - Cultural systems
  - Nature of the firm
  - Organisation of market processes
  - Coordination and control systems

- **Matten & Moon (2008):** depending on the nature of national business systems, CSR tends to be either
  - **explicit:** 'voluntary programs and strategies by corporations which combine social and business value and address issues perceived as being part of their social responsibility by the company' or
  - **implicit:** 'values, norms and rules which result in (mandatory and customary) requirements for corporations to address stakeholder issues and which define proper obligations for corporate actors in collective rather than individual terms'

- **Matten & Moon (2008): explicit CSR is spreading globally as a result of**
  - ▣ *Coercive isomorphisms*: e.g. global codes of conduct; investment indexes
  - ▣ *Mimetic processes*: e.g. best practices; business coalitions; reporting standards
  - ▣ *Normative pressures*: e.g. the standardisation of education and training, e.g. MBA's; professional associations

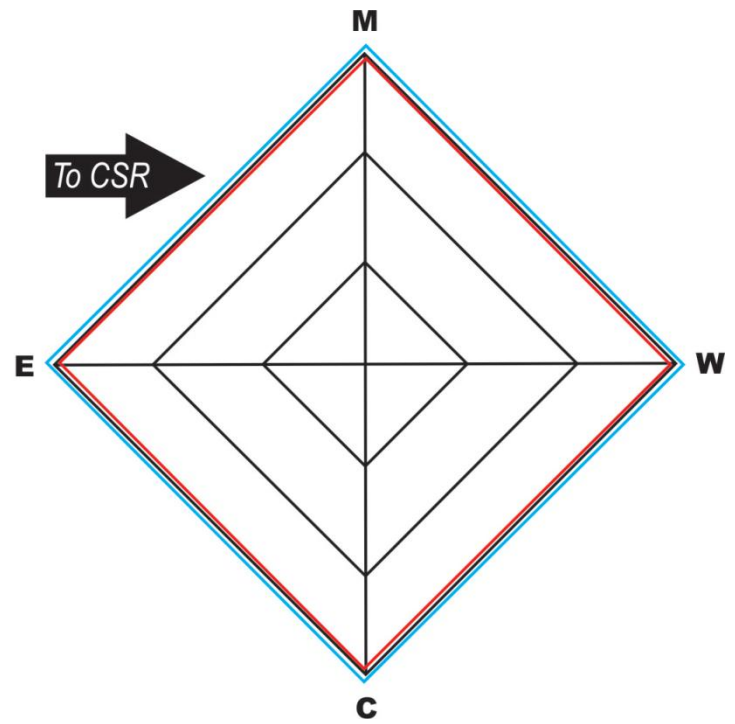
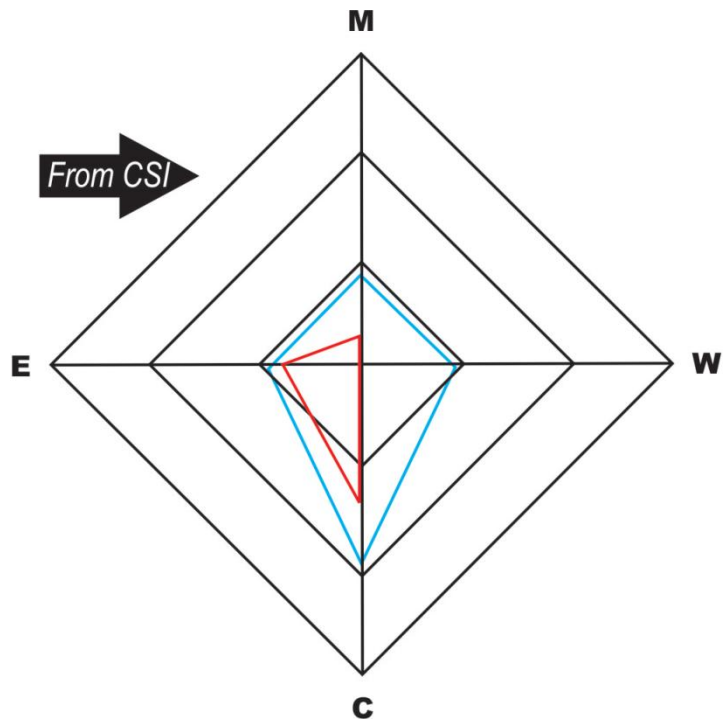
# Again the questions...

- What is unique about the understanding of CSR in sub-Saharan Africa that should be appreciated, maintained, further developed and even exported to other regions?
- Is CSR in sub-Saharan Africa more *explicit*, like in the USA, or more *implicit*, like in Europe? Why?
- How will globalisation, and especially CSR trends, continue to impact the profile of CSR development in the sub-Saharan region?

# CSR development strategies

# The challenge

- To transform the current situation into one where
  - ▣ the prevailing CSI paradigm in companies can evolve towards a more comprehensive understanding of CSR,
  - ▣ and the narrow focus on community concerns can evolve to include CSR matters from the arenas of the marketplace, workplace and the environment as well,
  - ▣ whilst maintaining an approach that is contextually sensitive and relevant to national business systems.



# For discussion

- Is it at all relevant to call for and facilitate such a paradigm shift in sub-Saharan Africa's understanding of CSR?
- And if the answer is yes, then
  - ▣ What strategies should be considered?
  - ▣ Which leverage points will be most productive?
  - ▣ Which stakeholders should be involved?
  - ▣ Who should drive the effort?

# GTZ report: suggested principles

- CSR Development should be context-specific
- CSR development should connect and work with emergent patterns
- All key business disciplines need to be involved
- Recognise differences between profit and non-profit entities
- Create sustainable impact and move away from practices that keep root causes in place

# GTZ report: suggested leverage points

- **Within companies:** from CSR officers to executive leadership
- **Within broader business circles:** resource pools for mutual learning and development of instrumentation
- **Between companies and governments:** public-private dialogue
- **Between companies and non-government stakeholders:** optimisation of synergies
- **Between companies and global role-players:** collaborate in global agreements within local contexts

# Conclusion

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The key to addressing CSR hindering and promoting factors in sub-Saharan Africa lies in a systemic and contextually sensitive approach that relies on the potential of people, organisations and communities to design and implement their own solutions within global frameworks. (GTZ report, p 69)

# Bibliography

- Crane, Matten & Spence. 2008. *Corporate Social Responsibility: Reading and cases in a global context*. Routledge.
- GTZ, 2009. *Corporate Social Responsibility in sub-Saharan Africa: A survey on promoting and hindering factors*.
- Matten, D. & Moon, J. 2008. Implicit and Explicit CSR: A conceptual framework for a comparative understanding of corporate social responsibility. *Academy of Management Review*, Vol. 33, No. 2