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## Chapter

# Between Outcomes and Processes: Revisiting the Discourse on Corporate Social Responsibility Impacts

*Addmore Tapfuma Muruviwa, Wilson Akpan,  
Fhulufhuwani Hastings Nekhwevha  
and Nono Godfrey Tshabalala*

## Abstract

For so long the corporate social responsibility agenda has centrally focused on impacts and outcomes at the expense of CSR processes. This paper argues for a discourse and practice of CSR that brings into clearer focus CSR processes. The central aim is to understand how CSR processes inform, direct and shape CSR outcomes within a community development context. The study was carried out in Mhondoro-Ngezi, Zimbabwe which is in a rural setting. The study employed a triangulated design, with data collected using a mini survey, focus groups and in-depth interviews. The key findings are that the Zimbabwean mining giant, Zimplats, dominates and controls all CSR processes such as decision making, stakeholder engagement such that it limits the involvement of community members in CSR projects. This paper acknowledges the need for a radical approach in the analysis of CSR by diverting from an “outcomes oriented CSR agenda” to a “process led CSR agenda”. The analysis of CSR processes in Mhondoro-Ngezi showed that, power is a decorated asset in which stakeholders use to control the CSR processes to achieve certain outcomes.

**Keywords:** corporate social responsibility, processes, community, mining, stakeholders

## 1. Introduction

The past few decades have witnessed Corporate Social Responsibility (CSR) gaining momentum as a core concept to facilitate development in the developing nations. Utting ([1], p. 375) is of the view that owing to the changing expectations of society towards business's roles most corporations refined their CSR strategies so as to meet these expectations. However, the paucity of empirical data on the effectiveness of CSR questions the possibility of CSR as a development tool. Kapelus ([2], p. 279) insists that corporate literature on CSR is dominated by references to how corporations perceive themselves to be part of the community and what they have done for the community. Frynas ([3], p. 275) argues that part of the problem

lies in the over-emphasis of scholars who tend to concentrate on the corporate benefits of CSR activities with less attention on providing data on the process and development impact. Yet this is not a problem in itself: the current analyses of literature on CSR say very little on how corporations integrate with the community or engage and how they achieve CSR outcomes. Idemudia [4] supports this assertion by arguing that an understanding of the relationship between CSR and development possibly lies more in the analysis of CSR processes over outcomes.

One of the reasons scholars have lamented the absence of significant evidence of the impact of CSR on poverty and development, for example, is that the current analysis glosses over the CSR processes which are important in showing how corporations strategise their CSR initiatives for the benefit of society. The issue about CSR processes is not a new phenomenon but is a concept that came up some decades back when Jones [5] revisited and redefined the meaning of CSR. In his analysis of the concept, Jones ([5], p. 65) posits that “corporate social responsibility ought not to be seen as a set of outcomes, but as a process”. Jones further elaborated that “corporate behaviour should not, in most cases, be judged by the decisions actually reached, but by the process by which they are reached” ([5], p. 65). Since the CSR discourse was developed and shaped over a long period of time, later scholars saw the need to integrate CSR process issues in CSR theorisation [4, 6, 7]. Idemudia [4] took a profound step in showing the significance of analysing CSR processes for the continued growth and development of the CSR agenda. His argument stems from the fact that the outcome-oriented focus of the current discourse neglects the core issues and processes that can enrich our understanding of the CSR-development relationship ([4], p. 99). Newell ([6], p. 556) earlier noted that “mainstream CSR is unable to address the key issues of process by which a company’s social and environmental obligations come to be determined, enforced and made locally relevant”. The issue about CSR processes looks at how corporations carry out their CSR initiatives and how they engage their stakeholders.

The central aim of this article is to understand CSR processes in a community development context, with emphasis on the reciprocal relationship among key stakeholders using the relationship between Zimplats and Mhondoro-Ngezi community in Zimbabwe as a case study.

This article takes an in-depth focus on corporate-stakeholder engagement processes, the decision-making procedures, the nature of corporate-stakeholder partnerships and the power dynamics between the corporate and stakeholders and how these impact on community development in Mhondoro-Ngezi community. Zimplats Holdings Limited (Zimplats) is 49% owned by Implats (South Africa) and 51% owned by the government of Zimbabwe. The mining company has carried out platinum mining operations in Mhondoro-Ngezi community since the year 2000. As a multinational company a lot was expected from it by the community as there was great belief that development opportunities would accrue to the community as a whole. However, due to lack of major developmental projects in Mhondoro-Ngezi, the researchers of this article sought to understand the various CSR processes and how they affected community development.

## **2. Why a southern CSR agenda?**

Several authors such as Fox [8], Idemudia [9], Christian Aid [10] and UNRISD [7] have highlighted the need for an alternative critical research agenda which indicates that CSR initiatives should not just benefit foreign companies financially but also benefit workers and indigenous communities socially and environmentally in the South. Although the CSR agenda has developed since the 1950s, many

scholars believe that it is fraught with many inconsistencies as it leaves behind some critical issues. Idemudia ([9], p. 2) argues that “there is a general consensus that the mainstream CSR agenda has been driven by Northern actors and therefore reflected the priorities and concerns of western societies without sufficient room for other concerns from the South”. Fox [8] identified core issues that he saw as limitations of the current CSR agenda.

Not only Fox [8] has called for a new critical CSR agenda but there is a chain of scholars who have witnessed the limitations of the current CSR agenda. The new agenda’s focal point is a deeper investigation of how CSR initiatives can contribute to the development of communities in the global South and improve the livelihood conditions of the locals. Blowfield and Frynas ([11], p. 505) attack the current CSR discourse as weak and bad for development. To these authors, the “weak CSR is bad development” school of thought is linked with civil society organisations and critics of business practices. Its argument is that corporations should take responsibility for the broader impacts in society. The efforts to achieve such an objective are hampered by the current CSR practice that is solely focused on profit making. Blowfield and Frynas [11] further show that the failures of the current CSR practices are a result of poor planning and implementation of social programmes by firms (CSR processes). For them, the way out of this situation is through improved partnerships between stakeholders and better constructed and implemented CSR policies. The failure of CSR activities as a result of poor formulation and implementation calls to attention the need to consider CSR processes in our endeavour to understand its impact on development. Scholars such as Idemudia [4] called for the need to shift focus towards understanding CSR processes in trying to ascertain how development and CSR are connected.

### **3. Significance of CSR processes in the southern CSR agenda**

As already indicated from the previous sections, the current CSR agenda overlooks the importance of processes in the overall CSR discourse. There is too much emphasis on outcomes and impacts of CSR without a critical analysis of the processes which bring about the outcomes of CSR. The following section shows how important a concerted focus and analysis of CSR processes is significant in the enrichment of the CSR discourse.

#### **3.1 Understanding corporate-stakeholder engagement**

A focus on CSR processes entails focus on a number of issues that determine the outcomes of CSR initiatives. One of the strategies used by corporations to interact with its stakeholders is the process of stakeholder engagement. According to Greenwood [12], notions of corporate responsibility and the responsible organisation are built upon the notion of stakeholder engagement. According to stakeholder theory, stakeholder engagement portrays an organisational practice undertaken to involve stakeholders in a positive and encompassing manner in organisational activities ([12], p. 316). Phillips ([13], p. 54) sees it as a mutually beneficial scheme of cooperation. Stakeholder engagement has been viewed as a moral partnership of equals between firms and its stakeholders. However, when analysing the stakeholder engagement process one has to be careful that in reality, it is possible that the organisation and its stakeholders may not be of equal status because of the asymmetrical power relations between these two parties [12]. The United Nations Research Institute for Social Development ([7], p. 21) mentions that although spaces for multi-stakeholder dialogues have opened up in many developing

countries, there is a sense of mistrust because of the negotiating and bargaining power of various stakeholders.

One of the ways to test the asymmetrical power relations in the CSR practice is to analyse the stakeholder identification and decision-making processes which are some of the strategies involved in coming up with CSR outcomes. According to Idemudia ([4], p. 103) “emphasis on processes entails a focus on stakeholder contestations and interactions, decision making structure and stakeholders that are included and excluded in the projects”. If we are to consider these facts as part of CSR processes it can be argued that the current discourse portrays unequal stakeholder engagement processes. According to UNRISD ([7], p. 15), there is need for greater inclusion of stakeholders from developing countries in shaping CSR and accountability agendas. The inclusion of poor indigenous communities, workers, and trade unions in CSR decision-making processes will ensure empowerment and strengthen work place democracy. UNRISD ([7], p. 21) further points out that a concern with the current discourse is its emphasis on a top-down approach, Northern and expert-driven character.

Freeman [14] claims that decision making needs to incorporate multiple stakeholders, and interests. Most CSR initiatives in the South have always assumed top-down approaches where developmental goals and priorities are formulated and implemented by the corporations. Unless corporations include beneficiaries in the decision-making process, the stakeholder engagement process will remain a morally neutral process that is totally dominated by one party with enormous powers [12].

### **3.2 Understanding the local governance system**

The stakeholder approach views the company at the centre of a range of stakeholders [14]. However it should be understood that, by shifting our eyes and looking beyond stakeholders, we must consider them as part of an intricate and dynamic web of interrelated role-players involved in (un)sustainable development at the local level [15]. Hamann et al. [15] emphasised the need to understand the local governance process as this has implications on corporate citizenship or CSR. Whereas stakeholder engagement focuses more on how the corporation engages its stakeholders in its activities, the local governance system takes a slightly different approach. The reciprocity concept creates a platform for understanding the duties, roles and rights of stakeholders and the firm and therefore there is need to understand how local governance processes affect and influence CSR outcomes. According to Hamann et al. ([15], p. 63) “governance has been defined as the process of providing direction to society, whereby the emphasis is on the relationships between the state and other role-players, including business”. This means that local governance encompasses the role and functions of local government, and the various interactions between local government, local citizens and other groups in society [15]. Local governments represent the national government in executing public duties and therefore should be considered as very important stakeholders. The interactions between various stakeholders such as local government, community members, community traditional leaders, and any other interested groups determine crucial aspects of (un)sustainable development, which include service delivery, infrastructure development and spatial planning. Therefore, having an idea of the local governance system reveals important processes that are outside the immediate scope of the company but play a crucial role in an effective corporate citizenship strategy and outcome.

### **3.3 Utility of multi-stakeholder partnerships**

According to Warhurst [16] and Hamann [17] tri-sector partnerships are important processes that strengthen corporate citizenship outcomes. CSR initiatives

are not exclusively carried out by corporations but through partnerships with stakeholders such as the community, government, NGOs and private companies for the benefit of all parties [18]. The idea of partnership between the corporations and stakeholders is aimed at addressing the socio-ecological problems. Hamann [15] believes that tri-sector partnerships benefit from the strengths of corporations alongside those of civil society and government and this inversely yields better results for communities and for business than when corporations go it their own way. Owing to the outcry from stakeholder groups, many corporations have assumed the idea of partnering with stakeholders to holistically tackle the social and environmental challenges [18]. Brinkerhoff [19] argues that public-private partnerships (PPPs), which are collaborations between corporations, state, and non-state actors to achieve mutually defined goals, present the best offer of how CSR can contribute towards development priorities. Because stakeholders participate in defining goals and implementing projects, such partnerships can initiate CSR's drive of addressing the development priorities while also meeting private corporate objectives.

A number of community development initiatives in developing countries have collapsed not because they were poorly funded but rather as a result of uncoordinated processes of formulation, implementation and monitoring [20]. Warhurst ([16], p. 59) thinks that the panacea to such issues is the idea of a tri-sector partnership agreement that addresses critical issues by establishing agreed partnership goals, monitoring and reporting systems and collaborative activities. Warhurst goes further to suggest that partnership agreements maybe pre- or post-date the project development phase and be used as a method to make sure communication and participation of stakeholders in relevant decision making, or the funding of social investment programmes.

Through partnerships the usually suppressed voices of the marginalised groups within the stakeholder approach can be heard and make a mark for the concerns of these groups. That is why Soplop et al. [21] view "partnerships as a mechanism for addressing a participation deficit because they involve marginalized groups hence ensuring that their voices are heard". International institutions such as the World Bank have supported the idea of partnerships as they ensure a collective agenda that seeks to stamp out poverty and ensure development [22]. Inputs from the private sector, government and local communities are vital in the success of CSR programmes and this ensures that the "blame game" that has always characterised these relationships is avoided.

#### **4. Research method**

Mhondoro-Ngezi, where the study was conducted, is a rural town (in Kadoma District, in Mashonaland-West Province). It is located 156 kilometres south-west of Harare, which is the capital city of Zimbabwe. Mhondoro-Ngezi is made up of 16 wards. Its population of 104,061 people [23] spreads across rich soils. Despite being rich in mineral resources, the community relies on agriculture as the main livelihood option because of the absence of a sound economic sector to create local employment. Mhondoro-Ngezi receives very minimal annual rainfall of 600-800 mm a year that is sufficient for local small scale farmers to grow crops for subsistence purposes. For commercial purposes local farmers rely on cotton farming and cattle rearing. In a good season, cotton now fetching US\$0, 35 per kg gives them significant returns (Sunday Mail, 16 June 2013). However, the living standards in this area are very low and many people live under the World Bank's poverty datum line of \$1 per day. For the past three decades since Independence in 1980 the

community has received no meaningful development except for the construction of a few primary and secondary schools, local clinics, dip tanks for livestock and indigenous small shopping centres which serve as the growth point. Many school children walk long distances of at least 6 km to school since there are very few of these in the community. Zimplats is the only major mining company in the area that has provided employment for thousands of workers in Mhondoro-Ngezi and surrounding areas. There are however a few small businesses owned by local people in the retail sector.

Although Zimbabwe hosts many foreign mining companies, Zimplats became the choice for the study because it is the largest company ensuring corporate-mediated social provisioning articulated by Akpan [24]. Despite the company being a major agent of community development there have been escalating contradictions and public outburst by stakeholders who have been calling for Zimplats to contribute meaningfully towards social transformation that goes beyond charities and donations. Therefore this kind of relationship coupled with various outcries from stakeholders that include local communities, local politicians, and civil society organisations prompted the researcher to investigate the nature of CSR projects initiated by Zimplats in Mhondoro-Ngezi community.

Both qualitative and quantitative methods were utilised to collect empirical data. The researchers specifically employed semi-structured interviews, focus group discussions (FGDs) and a mini-survey. A total of 6 semi-structured interviews were conducted with representatives from the mining company, a Member of Parliament for Mhondoro-Ngezi, government officials from the Ministry of Youth and Indigenisation and Economic Empowerment. Community leaders were also part of the semi-structured interviews group. For the FGDs, the researcher conducted 6 of them and they consisted of community members from Mhondoro-Ngezi community who are affected by the mining company's activities. In this study the researchers also employed a mini-survey to ascertain the views and perceptions of Mhondoro-Ngezi community members on CSR projects by Zimplats, stakeholder reciprocal duties and the CSR processes. The sample size consisted of 215 participants who were randomly selected from the total population of Mhondoro-Ngezi. By using a survey method, the researcher employed questionnaires to ensure honesty and accuracy of participants' responses.

The central research question for which these empirical data were needed was: What are the processes involved in the implementation of CSR initiatives by Zimplats in the Mhondoro-Ngezi Community?

## **5. Results of the study**

The results of the study are presented below under five themes.

### **5.1 'Stakeholder management' or stakeholder engagement?**

Based on the stakeholder theory, this section explores the dynamics and performance of stakeholders' involvement and participation in CSR activities meant for community development and empowerment. Ihugba and Osuji ([25], p. 28) differentiates between the concept of stakeholder engagement and stakeholder management. According to Ihugba and Osuji ([25], p. 28) "stakeholder management is entirely a business strategy constructed to benefit the corporation without contribution from stakeholders irrespective of its impact on them". Stakeholder engagement emphasises examining the ways in which companies relate with their stakeholders in promoting social obligations and development [12, 26]. Ihugba and

Osuji [25] further points out that the starting point for stakeholder engagement is when firms go out of their way to consult negotiate and discuss with stakeholders their expectations and map out a plan of how to meet those expectations. The issues about stakeholder engagement and management can also be contextualised in the Mhondoro-Ngezi community to understand the CSR processes in Mhondoro-Ngezi.

From the study it was noted that Zimplats has a well elaborated stakeholder engagement policy that describes its engagement processes and is made public on the company website. Although the company purports that it is governed by a policy on stakeholder engagement, it is crucial to look at how the policy is implemented or how functional it is in addressing the concerns of its stakeholders. The following summarises some of the content of Zimplats' stakeholder engagement policy.

## 5.2 Multi stakeholder model

The primary responsibility of Zimplats is to meet the shareholders' demands and at the same time, the company takes into cognisance the interests of its stakeholders which can include the following:

### Internal stakeholders

- Employees and their representative bodies.
- Zimplats Board. The board is required to make strategic decisions and must be well informed on factors which may affect its decisions and impact on represented interests.

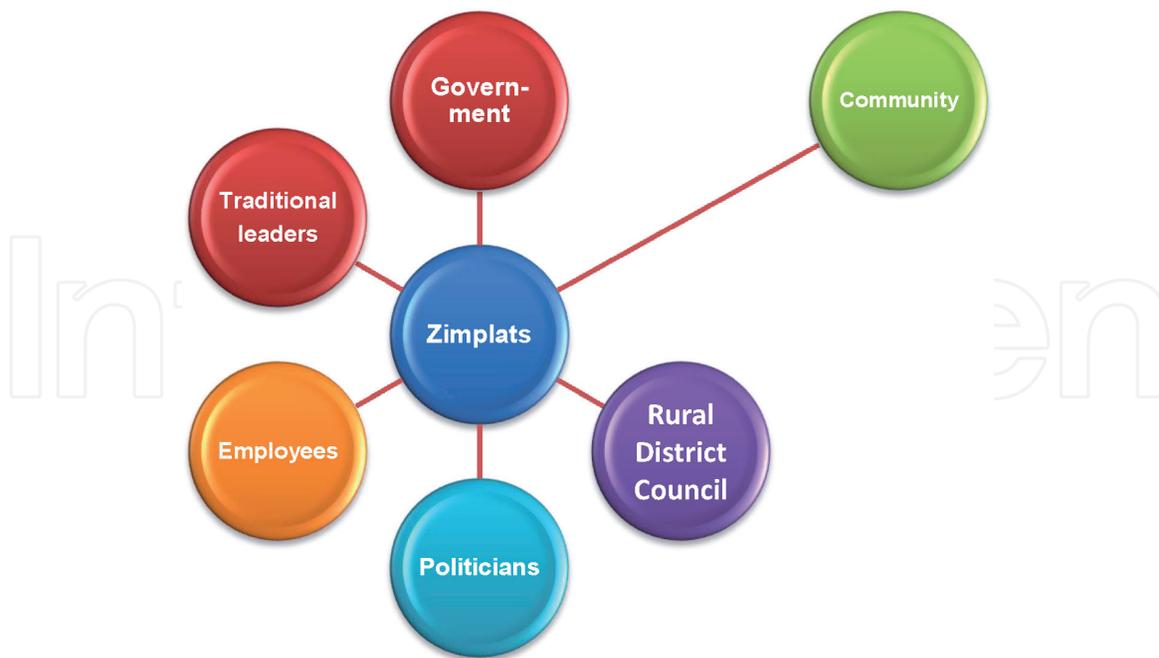
### External stakeholders

- Local, provincial and national governments make decisions and policies that impact directly on operations, develop regional growth and development strategies, and are concerned with the impact operations have on the local communities (including Mhondoro-Ngezi and Selous).
- Media influences the image of the company.
- Investors are concerned about the sustainability of the operations and need to be well informed about policies and strategies.
- Local communities are directly affected by the operations in terms of work opportunities, environmental impact and development opportunities.
- Civic society, NGOs and pressure groups etc. influence policies and decisions and for these reasons it is important to be aware of their concerns.

(Source: Zimplats Stakeholder Engagement Policy [23]).

Although there are various internal and external stakeholders, **Figure 1** shows the Zimplats multi-stakeholder model based on the findings from this study.

**Figure 1** shows a simplified multi-stakeholder engagement model used by Zimplats. A closer look at the diagram shows that whilst there are links between the company and its stakeholders the community seems far away from the mining company. As will be discussed later in this paper, this is a reflection of the nature of the company and community relations. The stakeholder salience approach is real and evident in the Mhondoro-Ngezi community. Despite the community being a strong legitimate stakeholder, the company treats it differently from the way that



**Figure 1.** Zimplats multi-stakeholder model. Source: A Printout of a diagram derived from the survey data and findings in Mhondoro-Ngezi Community.

other stakeholders are treated. The issue of power differentials exposes the idea that the less powerful stakeholders usually occupy the peripheral areas of the stakeholders' engagement model. Powerful and influential stakeholders with the capacity to halt or affect the operations and stability of the firm are kept close to the company as there seems to be interdependence between the firm and these stakeholders.

Both qualitative and quantitative data from the study show that despite the company stating its use of a stakeholder engagement policy, the engagement is characterised by unequal power relations and the company retains the power to unilaterally identify the stakeholders to engage with at a particular time. An important point to note when analysing stakeholder engagement processes is the issue of how the corporation goes out to meet its stakeholders or how it interacts on issues relating to CSR. From the study, it was noted that since the commencement of mining operations in Mhondoro-Ngezi community, the company has always maintained its engagement processes with key stakeholders such as the government, Rural District Council (RDC), traditional leaders and the ever-present Member of Parliament (MP). Interview extracts show that these key stakeholders have deliberated on various issues on CSR by engaging the mining company. One stakeholder indicated the following:

*As the Member of Parliament for Mhondoro-Ngezi community I have been involved in development projects that concern my constituency. So I cannot say there is something that was done without my knowledge or input. Well I can say there are two issues here. Firstly like I said, the company has its own community responsibility projects. On those ones, consultations are made with the relevant stakeholders such as the council, MP, local leaders and chiefs. What I can say is that the company controls those discussions. It determines what it wants to do and how much it is willing to commit. (Semi-structured interview with MP, April 2013)*

The RDC official confirmed the engagement process between the mining company and its stakeholders, saying:

*There is consultation with stakeholders who are involved in community activities. The RDC as the administrator of the district is in constant contact with the mining company on matters of community development. The company through its various surveys and research identifies the projects that need attention and they disburse funds through our office. We then take it from there and implement the agreed projects. (Semi-structured interview with RDC official, April 2013).*

The above accounts indicate that the mining company extends a friendly hand to its key stakeholders to debate matters related to community development. Both stakeholders indicated that traditional chiefs also form part of the group of stakeholders who engage the mining company. A striking absence from the stakeholder list is community representatives. While traditional chiefs are considered as part of the community, they stand in their capacity as leaders of the local governance structure. Community members in Mhondoro-Ngezi lamented their neglect and lack of representation when it comes to crucial matters on CSR. Local leaders such as politicians, who represent the entire community in the legislative house, cannot carry the whole burden of community needs and priorities. FGD discussions were dominated by community members who complained about the nature of engagement between the mining company and the community.

Results from the FGDs indicate the community's concern with Zimplats' community engagement processes. Some of the concerns of community members are indicated below by two respondents who stated the following:

*Over the years the company has always worked together with the RDC, community leaders such as the chiefs, the MP and partly with the community. Its communication with the community members was minimal as it preferred to negotiate with the local leaders who it said represented the community. However, one has to understand that since the mining company rolled out CSR projects voluntarily it had the control of all the decision making process based on what their budget says. Zimplats has always worked with the local government officials in Mhondoro-Ngezi. It has been carrying various research surveys to assess what are the critical needs for the community. (FGD No. 3, Interviewee No. 3, April 2013).*

*Previously with its own CSR models, Zimplats usually made consultations with the council, local leaders as chiefs or the MP. We hardly saw a mining representative consulting people on issues of development etc. (FGD No. 1, Interviewee No. 2, April 2013).*

A closer look at the above interview extracts shows a crisis faced by community members with regard to the company–community engagement process. While other stakeholders enjoy participation in matters related to community initiatives, community members are only recipients of the finished products. The utility and impact of such initiatives is questioned because without elaborate community discourses on development needs there is no way they can address their intended goals. From the FGDs, the researchers also wanted to understand the perceptions of the wider community so as to come to a conclusion on the community–company engagement process. A key characteristic from this study is that while the researchers relied extensively on in-depth qualitative data, the quantitative aspect came in to confirm and complement the initial qualitative findings. The following tables show that despite community members being considered as legitimate under Zimplats' voluntary CSR policy, they were often bypassed on crucial matters that concern them, with other stakeholders having to negotiate on their behalf.

Calvano ([27], p. 776) argues that despite business taking an interest in stakeholder engagement, communities still remain marginalised relative to other stakeholders. The above table present the views of the wide community with regards to Zimplats CSR engagement processes. **Table 1** shows that community members rejected the idea that CSR activities were carried out after wide consultations with the community members. The statistics presented from **Table 1** show that about 54% of the respondents disagreed with this idea while 29.3% of respondents agreed. The neglect of community members from the consultation process on CSR matters puts the whole community in jeopardy. Successful CSR initiatives must take into considerations the voices and views of the intended beneficiaries in the decision-making process. This presents the limitations of the stakeholder theory in that, despite it being an approach in which firms consider their social obligations towards the society, it also limits the participation of other stakeholders. Vial ([28], p. 37) acknowledges that the stakeholder theory advocates for the firm to accommodate all stakeholders into the firm's decisions regarding CSR matters. The failure of CSR initiatives in Mhondoro-Ngezi comes down to the issue of the CSR process. A focus on processes involving stakeholders reminds us of the need to put into consideration the values, motives and choices of those real people who are supposed to benefit from CSR initiatives.

Although Newell ([6], p. 552) argues that we have to acknowledge that “not all members of a community can participate in public hearings, meetings and legal processes but best placed leaders can represent a community”, there still needs to be a point where community members' views are incorporated into the CSR agenda of the corporation. Without input from community members, community development initiatives are bound to be a failure because they do not address the needs of communities.

### 5.3 Decision-making processes in Mhondoro-Ngezi

The dominance of corporate power in the stakeholder engagement process is not only limited to the firm choosing and identifying the legitimate stakeholder with urgent claims, it is also manifested in the decision-making process. Discussions of CSR without an analysis of the decision-making process are flawed and have many inconsistencies. The idea of understanding CSR processes also calls into focus the need to analyse the decision-making process. It has been noted that community members barely feature in the crucial meetings of CSR and their voice is only heard through the community leaders. However, despite having the opportunity to sit and dine with the mining executives on matters of CSR, community leaders and other stakeholders indicated that decisions on priority matters and budgets for CSR in the

CSR projects by the mining company have been carried out after wide consultations with various stakeholders?					
		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Disagree	116	54.0	54.0	54.0
	Neutral	36	16.7	16.7	70.7
	Agree	62	28.8	28.8	99.5
	Strongly agree	1	.5	.5	100.0
	Total	215	100.0	100.0	

Source: A Printout of a table derived from the survey data and findings in Mhondoro-Ngezi Community.

**Table 1.**  
CSR activities and stakeholder consultations.

community are made by the company. Despite being powerful stakeholders in their accord, community leaders, politicians and the RDC indicated that the mining company controls the decision-making process on CSR matters. The following interview excerpts clearly show stakeholders coming to a conclusion that Zimplats has the sole decision-making power in terms of its voluntary CSR approaches:

*However you have to understand that the most important decisions are made by the company as they are the ones who are in control, especially its leading role in the decision making, the disbursement of funds and the identification of contractors. (Semi-structured interview with RDC official, April 2013).*

*There are a lot of projects the mining company has been involved in. I can't exhaust everything to you but we have documents to prove that. They have made a contribution although we are not happy with some of the projects and processes involved. What I can say is that the company controls those discussions. It determines what it wants to do and how much it is willing to commit. (Semi-structured interview with Mhondoro-Ngezi MP, April 2013).*

The RDC is the closest stakeholder that works with the mining company on most CSR and development issues. As the community's development planner and administration body, the RDC is in constant partnership with the mining company in the execution of community projects. The RDC acknowledged that Zimplats dominates the decision-making processes as it controls the disbursement of funds meant for community initiatives and also the selection of contractors and supply chains to undertake any work on behalf of the mining company. Zimplats confirmed its role in the decision-making process by stating the following issues:

*Based on the priorities indicated by the community, a 3 year development plan has been drawn up and approved by the company's board. The board makes resources available through the company's annual budget. Status reports are submitted to the board every quarter on progress made on the development plan. (Semi-structured interview with corporate services management, April 2013).*

The above interview excerpt shows that it is the prerogative of the company's board to approve funds and the priorities for CSR. While the community expected Zimplats to make CSR funds available and then make its own decisions about the use of the funds, the interview extracts shows otherwise. Although MNCs are mandated to make decisions, the limiting factor is that their decisions are primarily based on issues that could have an impact on their corporate activities rather than impact on stakeholders. Newell and Frynas ([29], p. 676) argue that the focus on CSR processes help to explore the deeper political and structural roots of CSR failures. They advocate for the engagement of the intended beneficiaries of CSR through participatory processes of design, formulation, decision-making and implementation. The process of decision-making has been the sticking point in company-community relations.

From the study it was generally accepted that the question of decision-making on CSR issues in Mhondoro-Ngezi community is dominated by the company and is beyond the reach of community members. Results from the mini-survey confirm the findings from the qualitative interviews about the mining company being the sole decision-maker. From **Table 2** it can be seen that 70.2% of respondents collectively agree that community members are not part of the decision-making process. Only 14% of the respondents believe that community members are decision makers on CSR related projects in Mhondoro-Ngezi. The remainder, 15.8%, remained neutral on the issue.

Community members are part of the decision making board on matters relating to community development?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	17	7.9	7.9	7.9
	Disagree	134	62.3	62.3	70.2
	Neutral	34	15.8	15.8	86.0
	Agree	29	13.5	13.5	99.5
	Strongly agree	1	.5	.5	100.0
	Total	215	100.0	100.0	

*Source: A Printout of a table derived from the survey data and findings in Mhondoro-Ngezi Community.*

**Table 2.**

*Decision making on community development matters.*

#### 5.4 Lack of local partnerships between Zimplats and its stakeholders

CSR initiatives are not carried out exclusively by corporations but partnerships with stakeholders such as the community, government, and NGOs and other private companies are vital for the success of these initiatives [18]. Warhurst ([16], p. 59) posits that “the idea of multi sector or tri-sector partnerships is to tackle the areas of concern by establishing commonly agreed goals, monitoring and reporting systems and collaborative activities”. The success of community development initiatives is guaranteed when stakeholders come together and contribute to a common goal. From the study, it was noted that for a long time Zimplats had forged ahead with CSR initiatives without substantial assistance or contribution from stakeholders such as national or local government. For all its CSR activities, the mining company has always partnered with the RDC in Mhondoro-Ngezi community. Despite controlling the stake in CSR activities, Zimplats has always maintained cordial relations with the local government body that is concerned with local planning and development. The major talking point though is that such partnerships are dominated by the company with decisions coming from the company’s management. The corporate management department lamented the lack of collaboration or assistance from other stakeholders as a sticking point in community development. With Mhondoro-Ngezi covering a large geographical area and with an estimated population of 110,000 people, this seemed a tough assignment for the company to go it alone. In one of the interview extracts the company indicated the need for other stakeholders to contribute towards community initiatives by making resources such as financial capital available. When asked what could be done to improve the effectiveness of CSR projects/initiatives in the community, one company representative said that the solution lay in:

*Continued dialogue, robust partner participation, continued planning together and evaluation. Perhaps the involvement of other funding partners beyond the company’s budget would also result in bigger projects with a broader base in terms of impact. (Semi-structured interview with corporate services management, May 2013).*

From the company’s perspective, reciprocal behaviour from other stakeholders is the best possible way for CSR activities to be more effective and cover a wide section of society. Although stakeholders such as the government have received taxes and royalties from the mining company nothing has been contributed towards the

development of the local community. The widely held assumption from the government, politicians and community members is that foreign companies accrue large sums of profits from exploiting local natural resources with the bulk of it repatriated back to their mother countries. Therefore foreign companies are expected to go it alone when it comes to community development.

### **5.5 The politics of power in Mhondoro-Ngezi: understanding governance complexities**

The ideas of power hegemony and control of processes are key issues in the discussion of the CSR agenda, because the relationship between stakeholders and business is often characterised by power struggles. CSR and development are arenas of political contestation with stakeholders seeking to leverage their control over resources and decision-making. The relationship between the government and business is often characterised by power struggles. Whilst some scholars believe that over the years MNCs have amassed enormous power to control even the governments in their countries of operation, this assertion is somehow a fallacy if contextualised in Zimbabwe. While stakeholders such as community members were often neglected in CSR processes and with other stakeholders failing to make inroads into the decision-making process, the law on community empowerment ushered in a new era of company and community engagement processes. Company-driven CSR initiatives failed to address the community's needs in Mhondoro-Ngezi and the government as the guarantor of society moved in to address these issues.

The admission by the state that voluntary CSR activities had failed to meet the developmental expectations of the local communities saw the enactment of the Indigenisation and Empowerment Act which was signed into law in 2007. From the government's position, the main idea for the implementation of this law was to ensure empowerment of local Zimbabweans in a manner that would immediately reduce poverty for the majority of the people, and enhance societal welfare [30]. It ushered in a new way of CSR in which foreign companies were now regulated to undertake their CSR projects, whereas the previous set-up supported voluntarism. 1980–2007 was the period of voluntary CSR while 2007–2013 was the period of regulated CSR. Before the regulation of social responsibility activities in Zimbabwe, CSR was monopolised by the corporations with government playing a passive role in advocating for meaningful development.

The idea of threats and coercive use of power has been a powerful tool used by government in its attempt to claim what it calls "resources sovereignty". Foreign companies are not the first group to experience such unequal transfer of resources, but in the year 2000 the government forcefully repossessed land from white commercial farmers who occupied most of the arable land while the black majority resided in poor areas. As a way to readdress the colonial imbalances, the government removed about 90% of commercial farmers from the land without any compensation for their lost land and all the investments and development that had been done on those farms. Despite lacking legal backing, the government continued with its controversial land reform and later amended the laws governing land ownership and repossession. This is one of the reasons why the international community instigated sanctions against the ZANU PF led government.

With such an aggressive style of transfer of resources still fresh in the memory of foreign companies their only option is to comply with the stated law despite the fact that some of the actions demanded by the government are not backed by the law. The idea of threats to revoke the operating licences of foreign companies or to prosecute them became a hallmark of the hostile relationship between government and business. Several public spats in the local media were recorded, with the

government maintaining its position of taking over non-complying business entities. In one of his strings of attacks on foreign companies, the former Minister in the YDIEM said the following with regard to Zimplats's indigenisation issues:

*Zimplats continues to defy the laws of this land, continues to abuse the process. We would like Zimplats to continue mining but if they continue to disregard the laws of the country we are left with no option but to invoke the provisions of the law. Zimplats will have to live with the consequences of their actions. (NewZimbabwe, 6/9/2011)*

*With the new law, every corporate citizen is expected to comply with the laws of the country, the companies have no choice. We negotiate, we persuade and we threaten. I can also concede that we might be doing some things which may also not be in the law. We can say to them that we will go to the licensing authority and request for the cancellation of the business operating licence. Therefore the methods are persuasion, threats, coercion and arm twisting. (Semi-structured Interview with the Director in the YDIEM, April 2013)*

Such a direct attack is an indication of some of the actions that government takes when it forces companies to comply with its laws. That is why the Northern-centred CSR agenda advocates for refraining government from regulating CSR initiatives, with their position being that corporations must voluntarily choose when and what to contribute to CSR. The implication of use of force by government on community development and empowerment issues towards companies is that relationships are strained and in most cases local communities suffer in the end. Newell ([6], p. 555) posits that in instances of extreme and repeated negligence by corporations, governments have resorted to the tool of power with threats to revoke operating licences. This has been the powerful tool that government has used to force mining companies to comply with the new law.

## 6. Conclusion

This article examined the CSR processes undertaken by Zimplats the mining company and stakeholders in the implementation of CSR projects. The point of departure for this article was a recognition that, for a long time there has been so much emphasis on the outcomes of CSR initiatives by the firms without an appreciation of the processes involved in coming up with these outcomes. From this study it was noted that because of its power and control the company dominated the stakeholder identification processes, the prioritisation of projects and the decision-making processes. Despite the community being considered a legitimate stakeholder, it was noted that the company neglected community members' participation in key CSR processes and decision-making. Community members indicated that only a few leaders were given the privilege to interact with the company on CSR matters. The only time the community members interacted with the mine was when it carried out baseline surveys as part of its project formulation initiatives. Even though some community leaders had the opportunity to discuss CSR issues with the company, Zimplats retained the sole power to make decisions. The article also noted that the Indigenisation and Empowerment Act was to reverse the social ills of the voluntary CSR approach by foreign companies. This study highlighted the power dynamics that exist between the stakeholders and the firm and also the dominance of the state as regulating agent. An important aspect to note in this article was the use of force by the state to ensure that the company complies with the new law.

The government indicated that it uses various means to ensure that corporations comply with the need to promote indigenisation and empowerment of local communities. This has been part of the new regulated CSR approach, as opposed to the voluntary approach by the company. While the voluntary CSR approach lacked a clear cut social contract, the Indigenisation and Empowerment Act showed a shift from implicitly held expectations to explicitly held expectations which are backed up by a social contract between the company and the community. The utility of studying CSR processes is based on the need to understand how these processes shape the outcomes of CSR. The analysis of the processes shows how the corporations and its stakeholders reached these outcomes. A concluding remark on the processes shows that by capturing the voices of the beneficiaries we are able to understand why CSR initiatives are failing or succeeding. It also shows whether the issues concerning stakeholder fairness are upheld or respected.

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### **Author details**

Addmore Tapfuma Muruviwa<sup>1\*</sup>, Wilson Akpan<sup>2</sup>, Fhulufhuwani Hastings Nekhwevha<sup>3</sup> and Nono Godfrey Tshabalala<sup>1</sup>

1 Department of Sociology, University of Zululand, P.Bag X1001, KwaDlangezwa 3886, South Africa

2 Research and Innovation, Walter Sisulu University, Mthatha, South Africa

3 Department of Sociology, University of Fort Hare, P.Bag X1314, 5700, Alice, South Africa

\*Address all correspondence to: [amuruviwa@gmail.com](mailto:amuruviwa@gmail.com)

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