TOWARDS THE DEVELOPMENT OF A CORPORATE COMMUNITY INVOLVEMENT DISCLOSURES FRAMEWORK: EVIDENCE FROM SOUTH AFRICA

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I declare that the above thesis is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

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SIGNATURE DATE

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ABSTRACT

The purpose of this study was to develop a best practice corporate community involvement disclosures (CCID) framework for JSE-listed organisations in South Africa. An analysis of the literature underscored the need for quality CCID and revealed the paucity of research on this topic.

The study adopted a mixed-methods approach employing three research stages. Firstly, an initial CCID framework was constructed on the basis of a content and document analysis of top-performing JSE-listed organisations. Secondly, 30 CCI experts refined and validated the CCID framework through semi-structured interviews. The developed CCID framework comprised 36 specific disclosure items in nine general disclosure categories. Thirdly, the CCID framework was applied to 116 corporate reports, including the integrated reports, sustainability reports and corporate webpages of 20 JSE-listed companies for the years 2015 to 2017.

The findings indicated that the sample of JSE-listed organisations disclose some aspects of CCI in their corporate reports. However, there is no consistent reporting framework, and a number of CCID items were under-disclosed according to the CCI expert "best practice" to meet stakeholder expectations. In both the integrated and sustainability reports, general category 2, *CCI strategy*, and general category 4, *CCI projects*, were the best-performing categories. General category 8, *Evidence of CCI*, was one of the best-performing categories disclosed in the sustainability reports and on the corporate webpages. General category 5, *Relevant regulatory measures*, general category 6, *CCI benefits/business value creation*, and general category 7, *Assurance of CCI reporting*, contained no or limited CCID.

The development of the CCID framework resonated with stakeholder theory, while the findings on the application of the CCID framework supported the theoretical perspectives of legitimacy theory. In addition to the identified legitimising drivers, the findings suggested that local tensions and expectations are impacting on CCID in South Africa.

The findings of this study provide useful insights into CCID practices, guidelines and the quality of CCID. It is unique because it is the first of its kind to develop and apply a CCID framework in South Africa. The findings have a number of implications for stakeholders, corporate managers, regulators and policymakers in South Africa and internationally.

Key terms:
Corporate community involvement disclosures; reporting framework; voluntary disclosure; corporate social responsibility; South Africa; corporate social investment; socio-economic; mixed-methods; stakeholder theory; legitimacy theory.

ABSTRAK

Die doel van hierdie studie was om ’n raamwerk van beste praktykte te ontwikkel vir korporatiewe gemeenskapsbetrokkenheid-openbaarmakings (KGBO) vir JSE-genoteerde organisasies in Suid-Afrika. ’n Ontleding van die literatuur het die behoefte aan gehalte-KGBO beklemtoon en die gebrek aan navorsing oor hierdie onderwerp aan die lig gebring.

Die studie het ’n gemengdemetode-benadering gevolg wat drie navorsingstadiums gebruik het. Eerstens is ’n aanvanklike KGBO-raamwerk op die grondslag van ’n inhoud-en-dokument-ontleding van bes presterende JSE-genoteerde organisasies saamgestel. Tweedens het 30 KGB-kundiges die KGBO-raamwerk deur middel van halfgestruktureerde onderhoude verfyn en geldig verklaar. Die ontwikkelde KGBO-raamwerk het 36 spesifieke openbaarmaking-items in nege algemene openbaarmakingkategorieë bevat. Derdens is die KGBO-raamwerk toegepas op 116 korporatiewe verslae, insluitend die geïntegreerde verslae, volhoubaarheidsverslae en korporatiewe webbladsye van 20 JSE-genoteerde maatskappye vir die jare 2015 tot 2017.

Die bevindings het aangetoon dat die monster van JSE-genoteerde organisasies enkele aspekte van KGBO in hul korporatiewe verslae openbaar het. Daar is egter nie ’n konsekwente verslagdoeningsraamwerk nie, en volgens die KGB-bestepraktykkundige is ’n aantal KGBO-items onderverklaar om aan belanghebbers se verwagtinge te voldoen. In sowel die geïntegreerde as volhoubaarheidsverslae was die algemene kategorie 2, *KGB-strategie*, en algemene kategorie 4, *KGB-projekte*, die bes presterende kategorieë. Algemene kategorie 8, *Bewys van KGB*, was een van die bes presterende kategorieë wat in die volhoubaarheidsverslae en op die korporatiewe webbladsye openbaar gemaak is. Algemene kategorie 5, *Relevante regulatiewe maatreëls,* algemene kategorie 6, *KGB-voordele/besigheidswaarde-skepping,* en algemene kategorie 7*, Gerusstelling van KGB-verslagdoening,* het geen of beperkte KGBO bevat.

Die ontwikkeling van die KGBO-raamwerk het by die belanghebberteorie aanklank gevind, terwyl die bevindings van die toepassing van die KGBO-raamwerk die

teoretiese perspektiewe van die egtheidsteorie gesteun het. Benewens die geïdentifiseerde egtheidsaandrywers het die bevindings daarop gesinspeel dat plaaslike spanning en verwagtinge ’n uitwerking op KGBO in Suid-Afrika het.

Die bevindings van hierdie studie verskaf nuttige insigte in KGBO-praktyke, -riglyne en die gehalte van KGBO. Dit is uniek omdat dit die eerste keer is dat ’n KGBO-raamwerk in Suid-Afrika ontwikkel en toegepas word. Die bevindings het ’n aantal implikasies vir belanghebbendes, korporatiewe bestuurders, reguleerders en beleidmakers in Suid-Afrika en internasionaal.

Sleutelterme:

Korporatiewe gemeenskapsbetrokkenheid-openbaarmakings; verslagdoenings-raamwerk; vrywillige openbaarmaking; korporatiewe maatskaplike verantwoordelik-heid; Suid-Afrika; korporatiewe maatskaplike investering; sosio-ekonomiese; gemengde metodes; belanghebberteorie; egtheidsteorie.

SETSOPOLWA

Morero wa thutelo ye e be e le go tšweletša tlhako ya maitokiši a kaonekaone a dikutollo tša seabe sa dikgwebo setšhabeng (CCID) ya mekgatlo ye e lego lenaneong la JSE ka Afrika Borwa. Tshekatsheko ya dingwalo e gatelela tlhokego ya CCID ye e nago le mohola gape e utollotše nyakišišo ye e sa lekanago ka ga hlogotaba ye.

Thutelo e tšere mokgwatebelelo wa mekgwa ye e tswakantšwego ka go diriša magato a mararo a dinyakišišo. Sa mathomo, tlhako ya mathomo ya CCID e hlamilwe go ya ka tshekatsheko ya diteng le tokomane tša mekgatlo ye e lego lenaneong la JSE yeo e šomago gabotse. Sa bobedi, ditsebi tša CCI tše 30 di kaonafaditše le go laetša boleng bja tlhako ya CCID ka mokgwa wa dipotšišo tšeo di sa latelego lenaneo leo le itšeng. Tlhako ya CCID ye e tšweleditšwego pele e dirilwe ke dintlha tša kutollo tše itšeng tše 36 magorong a kakaretšo a kutollo a senyane. Sa boraro, tlhako ya CCID e phethagaditšwe go dipego tša kgwebo tše 116, go akaretšwa dipego tše di kopantšwego, dipego tšeo di fago tshedimošo ka ga boemo bja tšwelelo ya kgwebo le matlakala a wepo a dikhamphani tše 20 tšeo di lego lenaneong la JSE mengwageng ya 2015 go fihla 2017

Dikhwetšo di šupile gore sampolo ya mekgatlo yeo e lego lenaneong la JSE e utollotše dintlha tše dingwe tša CCI dipegong tša tšona tša kgwebo. Le ge go le bjalo, ga go tlhako ya go bega ye e sa fetogego, gomme dintlha tše mmalwa tša CCID di utollotšwe ka mo go sa lekanago go ya ka “maitokišo a makaonekaone” a ditsebi tša CCI go kgotsofatša ditetelo tša bakgahlegi. Ka go dipego tše kopantšwego le tšeo di fago tshedimošo ka ga maemo a tšwelelo ya kgwebo, legoro la 2 la kakaretšo, le *legoro la 4 la kakaretšo, diprotšeke tša CCI,* di bile magoro ao a šomilego gabotse. Legoro la 8 la kakaretšo, *Evidence of CCI,* e bile ye nngwe ya magoro ao a šomilego gabotse ao a utollotšwego ka go dipego tšeo di fago tshedimošo ka ga boemo bja tšwelelo ya kgwebo le go matlakala a wepo a kgwebo. Legoro la 5 la kakaretšo 5, *Relevant regulatory measures*, legoro la 6 la kakaretšo 6, *CCI benefits/business value creation*, le legoro la 7 la kakaretšo, *Assurance of CCI reporting*, di be di se na le goba le CCID ya bogolo bjo beetšwego mellwane.

Tšwetšopele ya tlhako ya CCID e kwana le mekgwaboitshwaro bolaoding bja kgwebo, mola dikhwetšo go tirišo ya tlhako ya CCID e thekga tebelelo ya ditlhalošo tša diteori tša go dira go ya ka mekgwa ya boitshwaro ya setšhabeng. Go tlaleletša go ditlhohleletši tše di šupilwego tša go amogelwa ka semolao, dikhwetšo di šišintše gore dithulano le ditetelo tša selegae di na le khuetšo go CCID ka Afrika Borwa.

Dikhwetšo tša thutelo ye di fa ditshedimošo tše di ka thušago tša ditlwaetšo tša CCID, mekgwatlhahli le mohola wa CCID. Ke ya moswananoši ka gobane ke ya mathomo ya mohuta wa yona go tšweletša le go diriša tlhako ya CCID ka Afrika Borwa. Dikhwetšo di na le ditlamorago tše mmalwa go batho bao ba nago le dikgahlego, balaodi ba dikgwebo, basepetši go ya ka molao le badiramelaotshepetšo ka Afrika Borwa le kemong ya boditšhabatšhaba.

Mareo a bohlokwa:

Dikutollo tša seabe sa dikgwebo setšhabeng, tlhako ya go fa dipego, kutollo ya tshedimošo ka bolokologi, tshwanelo ya kgwebo go kgotsofatša dinyakwa tša setšhaba; Afrika Borwa; peeletšo ya kgwebo setšhabeng; ka moo ekonomi e amago tšwelopele ya setšhaba, mekgwa ye e kopantšwego; mekgwaboitshwaro bolaoding bja kgwebo; go dira go ya ka mekgwa ya boitshwaro ya setšhabeng.

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LIST OF ABBREVIATIONS AND ACRONYMS

The table provides a list of the abbreviations and acronyms used in this study.

ANC	African National Congress
ASGISA	Accelerated and Shared Growth Initiative for South Africa
BEE	Black economic empowerment
BBBEE	Broad-based black economic empowerment
CAQDAS	Computer aided qualitative data analysis software
CCI	Corporate community involvement
CCID	Corporate community involvement disclosures
CECP	Committee Encouraging Corporate Philanthropy
CRISA	Code for Responsible Investing in South Africa
CSR	Corporate social responsibility
ESG	Environmental, social and governance
GDP	Gross domestic product
GEAR	Growth Employment and Redistribution Strategy
GRI	Global Reporting Initiative
HIV	Human immunodeficiency virus
IASB	International Accounting Standards Board
ICT	Information and communication technology
IIRC	International Integrated Reporting Council
IIRF	International Integrated Reporting Framework
IFC	International Finance Corporation
IODSA	Institute of Directors in Southern Africa
ISO	International Organization for Standardization
JSE	Johannesburg Stock Exchange
KPMG	Klijnveld Peat Marwick Goerdeler
MNEs	Multinational enterprises
NGOs	Non-governmental organisations
OECD	Organisation for Economic Co-operation and Development
PwC	PricewaterhouseCoopers
RDP	Reconstruction and Development Programme
SAICA	South African Institute of Chartered Accountants
SDG	Sustainable developmental goals
SEA	Social and environmental accounting
SLP	Social and labour plans
SPSS	Statistical Package for the Social Sciences
SRI	Socially responsible investment
StatsSA	Statistics South Africa
UK	United Kingdom
US	United States of America

CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

Post-apartheid South Africa is a multicultural and racially diverse developing country with a troubled history. Following occupation by the Dutch in 1652, the country was plagued by racial discrimination. This has resulted in social and economic imbalances between the different race groups in the country.

Since the first democratic election in 1994, the post-apartheid government has continuously attempted to eliminate poverty, reduce inequality and to build a more inclusive society (South Africa, 2013a). The African National Congress (ANC) undertook extensive policy reforms and implemented several legislative initiatives in an endeavour to build a non-racial and democratic South Africa. Policies included the Reconstruction and Development Programme (RDP), the Growth Employment and Redistribution Strategy (GEAR), and the Accelerated and Shared Growth Initiative for South Africa (ASGISA) (Department of Finance, 1996; Landsberg, 2015; RDP, 1994). During 2004, the Broad-Based Black Economic Empowerment (BEE) Act was promulgated to address poverty and the upliftment of the previously disadvantaged black[1] communities (Skinner & Mersham, 2008; South Africa, 2004). The New Growth Path framework replaced ASGISA in 2010, and focused on job creation (Fine, 2012:552). The policies that were implemented continued to address economic development and the creation of sustainable growth (Nyamori, Abdul-Rahaman & Samkin, 2017:1209; Tangri & Southall, 2008). The government's goals are continuously emphasised in the President's annual state of the nation address, the annual budget of the Minister of Finance and the strategies of national departments. In the most recent state of the nation address, President Cyril Ramaphosa emphasised the acceleration of the land redistribution programme through the expropriation of land without compensation (Ramaphosa, 2018).

[1] In the Broad-Based Black Economic Empowerment Act, "black people" is used as a generic term for African, Coloured and Indian people (South Africa, 2004).

A National Development Plan 2030 was formulated to increase economic growth, eliminate poverty and reduce inequality in South Africa (Berman, 2014; Fine, 2012:552; Landsberg, 2015; South Africa, 2013a). In spite of these attempts, however, high levels of inequality remain, as evidenced by the country's income Gini coefficient of 0.7[2] (World Bank, 2015). The underlying purpose of the National Development Plan is to promote social cohesion and emphasise the importance of business, labour, government and communities working together to fight poverty and inequality (South Africa, 2013a:17). This means that business organisations conducting operations within South Africa are expected to be involved in this process (Skinner & Mersham, 2008:239). The South African government encourages Johannesburg Stock Exchange (JSE-) listed companies to promote employment equity, environmental matters, black economic empowerment, skills development and community responsibility factors when conducting their operations in the country (South Africa, 2013a:48). Although not all of these matters are mandated, government has structured these policies in such a way that it becomes difficult for entities to operate in South Africa without implementing such policies.

South Africa is one of the first countries to enforce regulatory initiatives that require business organisations to account for and disclose their non-financial performance – through the integrated reporting initiative (De Villiers, Rinaldi & Unerman, 2014:1045). Compliance with the King Codes[3] is mandatory for companies listed on the JSE[4] (JSE, 2015b). The King Codes focus on corporate governance – where an integrated report presents the company's financial and corporate social responsibility (CSR) disclosures (Institute of Directors in Southern Africa [IODSA], 2009:12). The International Integrated Reporting Framework[5] (IIRF) requires companies to consider their relationship with communities and other stakeholder groups (International Integrated Reporting Council [IIRC], 2013b:12). The Code for Responsible Investing in South

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[2] The Gini coefficient, also known as the Gini index or ratio, is commonly used to measure inequality. A Gini coefficient of zero represents perfect equality, whereas a coefficient of 1 (or 100%) represents perfect inequality (World Bank, 2015).

[3] The King report is a code on corporate governance in South Africa, which promotes integrated reporting principles. The principles revolve around leadership, sustainability and corporate citizenship (IODSA, 2009). Four reports were issued, namely King I in 1994, King II in 2002, King III in 2009, and King IV in 2016. See section 3.2.2.1 for a discussion on the King Code of Governance Principles.

[4] The JSE requires listed companies to comply with the King Codes. Whereas King III adopted an apply OR explain approach, the latest King IV follows an apply AND explain approach when reporting on the King Code requirements (IODSA, 2016b:7).

[5] South Africa endorsed the International Integrated Reporting Framework in March 2014.

Africa (CRISA) also promotes the disclosure of environmental, social and governance matters (IODSA, 2011:3) – but as with the IIRF and King Codes, the presentation of these non-financial disclosures is left to the discretion of corporate managers.

This study is about corporate community involvement disclosures (CCID), which are a component of non-financial disclosures presented in integrated and sustainability reports. CCID include a company’s community engagement, support and corporate philanthropy activities (Patten, 1995:280) – where community support relates to a company’s involvement in the support of education, health and the arts (Campbell, Moore & Shrives, 2006; Cowen, Ferreri & Parker, 1987; Patten, 1995; Soobaroyen & Mahadeo, 2016). Owing to the lack of regulatory guidance on CCID, however, the purpose of this study was to develop a CCID framework to guide corporate community involvement (CCI) reporting. The study also examined the extent and quality of CCID in South Africa and endeavoured to identify what information stakeholders require in relation to CCI, while assessing the constructed CCID framework.

1.2 THE SOUTH AFRICAN BACKGROUND

South Africa has a total land area of 1 219 090 km^2 at the southernmost tip of Africa. It is a country rich in mineral resources (chrome, manganese, platinum, vanadium and vermiculite) (US Geological Survey, 2018), has prominent agriculture and manufacturing, and in recent years, has also made great strides in the areas of finance, real estate and business services (De Villiers & Alexander, 2014:199; Investingnews, 2015; StatsSA, 2015a:2). The JSE equity market had 379 listed companies at the end of 2016 (Thomas, 2017:3) in various sectors – including finance, real estate and business services, general government services, wholesale, retail and manufacturing (StatsSA, 2015a:4).

South Africa is a multicultural country with 11 official languages, and had a total population of 51.8 million people in 2011 (StatsSA, 2011:2) – with 56.52 million predicted for mid-2017 (StatsSA, 2017). South Africa’s national anthem includes five of the 11 languages (South Africa, 2017b) – emphasising the all-inclusive combination of different races, languages and cultural identities. Black Africans comprise the majority (80% of the population), while whites and coloureds comprise 9% each, and Indians 2% of the population[6] (StatsSA, 2011:2).

During the pre-colonial era, Khoisan and black Africans (Bantu-speaking people)[7] inhabited South Africa (South Africa, 2014:14). From the 1500s onwards, Europeans regularly visited the South African coast on their way to India. In 1652, the Dutch East India Company (VOC) established a station in Cape Town – providing refreshments to passing ships (South Africa, 2014:14). The European settlers occupied the land in order to establish farming operations, and labour was imported from East Africa and Madagascar, as well as the East Indies (Chamberlain, 2014:61). As Europeans settled in South Africa, they came into contact and conflict with the Khoisan and black Africans in the region (South Africa, 2014:14).

The British made a strategic decision to occupy the Cape in 1795 – in an attempt to control the sea route to the East (Pakenham, 1979; Samkin, 2010; South Africa, 2014:14). This resulted in European settlers losing their identity with Europe, and over time, a unique cultural group, the Afrikaners, was formed (Chamberlain, 2014:62). The Afrikaners gradually became disenchanted with British rule in the Cape, and started trekking northwards (South Africa, 2014:16). Inter-ethnic rivalry took place between the British, Afrikaners and black Africans.

A significant event in South African history was the discovery of diamonds (1867) in the Kimberley region, and gold (1884) in the Witwatersrand region. This mineral revolution increased the country’s economic growth and turned South Africa into an industrial state – resulting in an increase British immigration. The JSE was formed in 1887 following the discovery of gold and diamonds. While growing the South African economy after the discovery of gold and diamonds in the northern parts of the country, not all citizens benefited from the country’s wealth creation, and racial and political violence continued (South Africa, 2014:17). The British went to war with the Afrikaners (1899–1902) to establish their dominance over the country and to exploit South Africa’s gold deposits (Giliomee, 2003:xv).

[6] In South Africa, there are four main population groups – black African, coloured, Indian/Asian and white. These terms are commonly used to depict race in the governmental, public and private sectors.
[7] Bantu-speaking people (South Africa, 2014:14) generally refer to the black Africans in South Africa, because these people normally speak a Bantu language.

Although racial segregation commenced with the European settlers, it continued after the British[8] occupation of the country (South Africa, 2014:21). Racial segregation was legislated in 1948 with the election of the National Party, and this is commonly referred to as the apartheid period. Blacks, coloureds and Indians were grouped together and separated from "white" South Africa. Through legislative policies, blacks were denied the right to economic and intellectual participation – thereby explicitly excluding them from economic growth (Jack & Harris, 2007). Race was used to control access to skills and resources, ultimately resulting in an economy performing below its potential (Erasmus, Loedolff, Mda & Nel, 2015).

From 1946 to 1974, the South African economy had a real growth rate of nearly 5% (4.9%), although this slowed to an average annual growth rate of 1.5% in the 1980s (De Villiers & Van Staden, 2006:768). The slowdown was attributed to local political pressures, economic sanctions and disinvestment (South Africa, 2014:24). There was sustained opposition from within and outside the country after the 1960s (Arnold & Hammond, 1994:113). South Africa suffered severe economic sanctions and was excluded from major sporting events – including the 1964 Olympic Games (South Africa, 2014:24; South African History Online, 2011). Sanctions and boycotts were instituted unilaterally, and through international institutions such as the United Nations (South Africa, 2014:24). For example, the Sullivan Principles, a voluntary code of conduct opposing apartheid regulation, monitored US operations in South Africa (Arnold & Hammond, 1994:114). Following changes in the apartheid government, local pressures and international resistance, South Africa held its first democratic election in 1994, thus ending the apartheid era.

The so-called "New South Africa" emerged under the leadership of President Nelson Mandela and the ANC as the ruling party. From the outset, the ANC had a clear mandate to address the inequalities of the past – explicitly focusing on the black and other previously disadvantaged communities. With the reminiscence of the apartheid policies, government questioned the motives and methods of business in South Africa (De Villiers & Van Staden, 2006). The need for South African companies to gain legitimacy with the ANC became imperative (De Villiers & Van Staden, 2006:769). In

[8] The Union of South Africa was a dominion of the British Empire after 1910. The Union ceased in 1961, with the formation of the Republic of South Africa.

South Africa, the entrenched social and economic inequalities provided the backdrop for the King reports on corporate governance – the first of which was issued in 1994 by the Institute of Directors in Southern Africa (IODSA) (De Villiers et al., 2014; IODSA, 2016c; Rossouw, Van der Watt & Malan, 2002:296,298,299). At a country rather than an organisational level, South African business organisations were called to account for their non-financial performance (De Villiers et al., 2014:1047).

Despite the South African government's attempt to build a more inclusive society for all race groups and to address previous inequalities, high levels of inequality still exist (Story, 2015:544). As Tangri and Southall (2008:700) explain, it has been difficult to balance the competing goals of growth and wealth redistribution. The unemployment rate[9] was 20% in 1994, and in the fourth quarter of 2017, it increased to 26.7% (StatsSA, 2018a:1). South African youth make up a substantial portion of the unemployed population (De Villiers & Alexander, 2014:200). Those aged between 15 and 24 comprise 10.3 million, of which 3.1 million (29.7%) were not in employment, education or training (StatsSA, 2018b). In addition to the high unemployment rates, South Africa has the highest human immunodeficiency virus (HIV) rate in the world (Avert, 2015; De Villiers & Alexander, 2014:200; Skinner & Mersham, 2008:239; Soobaroyen & Ntim, 2013). During 2017, an estimated 12.6% of the population (7.06 million) were living with HIV – an increase from 10.6% in 2008 (Human Sciences Research Council, 2014; StatsSA, 2017:1).

In a Global Competitiveness Report by the World Economic Forum that surveyed 140 countries, South Africa's worst-performing pillars include health standards (128th), the standard of education (120th) and poor labour market practices (107th) (Schwab & Sali-i-Martín, 2015:30). These challenges have further resulted in poor economic growth and a country unable to create the required skills to build a competitive economy (Schwab & Sali-i-Martín, 2015:30). The combination of a poor education system, high unemployment rates, an inadequate health sector and an influx of migrants from the African continent, has resulted in South African citizens struggling to improve their daily living conditions and prospects. Crime, strikes, xenophobia and vandalism are dominant features in the South African context (Verhoef & Samkin, 2017:1374). These

[9] The unemployment rate is the proportion of the work age (15 to 64 years of age) labour force that is not employed and is actively seeking work or trying to start a business, in the four weeks preceding the survey (StatsSA, 2015b:xxi).

challenges create a destructive environment for economic growth and prosperity (Story, 2015:544,545).

The 2015 KPMG CSR reporting survey identified social risk as a unique South African-related concern. This survey was conducted against a sample of international companies (KPMG, 2016:5). Sound stakeholder relations avoid possible labour and community unrest and ensure the ongoing operation of South African businesses (KPMG, 2016:9). The need for social stability among South African companies and stakeholders – such as employees, unions and local communities – is a major concern. Labour market challenges are ultimately responsible for the conflict between business organisations, employees and trade unions.

Since the demise of apartheid, trade unions have continued to be embroiled in a political and social struggle. Although the notion of a trade union carries value, in South Africa, trade union leaders believe they can behave with impunity (Dhliwayo, 2012; Gleason, 2013; Netshitenzhe, 2015:559; Nyatsumba, 2017). In 2012, 17.3 million working hours were lost as a result of unprotected and illegal strikes, ultimately leading to poor labour productivity, damage to assets (Gleason, 2013; Oliphant, 2013), unresolved disputes and sometimes even death (e.g. the Marikana Massacre) (Dhliwayo, 2012; Netshitenzhe, 2015:552,558). During 2016, R161 million was lost in wages due to work stoppages – compared to R116 million in 2015 (Ramutloa, 2017).[10] The consequences of strike action are lower gross domestic product (GDP), consumption, tax income, job losses, remuneration for strikers and possible trade deficits (Jordaan, 2016).

Linked to trade union and employee-related protests is the recent “Fees must fall” campaign, which spread to most universities across the country. Students were demanding free education, while outsourced contract workers wanted permanent employment together with wage increases (Commision of Inquiry into Higher Education and Training, 2017). Government responded by introducing a 0% fee hike for the 2016 year (Nicolson, 2016), and free education – under certain conditions[11] –

[10] Using the 2015 and 2016 average exchange rates of R12.773953 and R14.708562 for USD$1, estimated wages lost due to work stoppages amounted to $9.1 million USD in 2015, and $10.9 million USD in 2016 (OFX, 2019).
[11] Since 2018, all new first-year students from families earning less than R350 000 a year have been allowed to obtain free higher education for their first study year (Xala, 2018).

for first-year students, starting in 2018 (Areff & Spies, 2017). The power and control of trade unions, employees and their clientele, as emphasised by the media, influence government policy and the way of conducting business in South Africa. The social concerns addressed above are not isolated incidents and tend to influence the economic and political aspects of the country.

The South African economy is volatile and is currently experiencing a period of slow growth. South Africa had a GDP rate of approximately 5% between 2004 and 2007, a rate of just above 2% between 2008 to 2012, while between 2013 and 2016, there was an average growth rate of 1.45% (Focus Economics, 2018; StatsSA, 2015a). Another difficulty in the South African economy is that the country's credit rating has been downgraded by some rating agencies – mainly because of poor growth prospects, labour market instability, the electricity crisis and increased government debt (Stanlib, 2015). An additional concern relating to South Africa's poor economic growth is its high nepotism and corruption levels (Nyamori et al., 2017:1211,1212; Verhoef & Samkin, 2017:1374). During 2015, several government officials, ministers and even the president of the country, were accused of nepotism and corruption (Church, 2015). Corruption is one of the key challenges that needs to be overcome in order to effect development in South Africa (Pillay, 2004:568; Story, 2015:545).

Recently, South Africa's ranking in the Global Competitiveness Index declined considerably. In 2015, South Africa secured first position for auditing and reporting standards in the Global Competitiveness Report (Schwab & Sali-i-Martín, 2015), but this position weakened to 30th position in the 2017 to 2018 Global Competitiveness Report (World Economic Forum, 2018). The King Codes were the first international reports to emphasise the importance of stakeholder interest (IODSA, 1994). The codes were also the first to use the term "integrated sustainability reporting", which covers social, transformation, ethical, safety, health and environmental management policies and practices[12] (IODSA, 2002; Visser, 2008:491). Other positions of historical strength that weakened during the period 2015 to 2018 include the efficiency of

[12] During 2014, the IIRC welcomed South Africa's endorsement of the IIRF, with the following statement by its chief executive officer, Paul Druckman: "We are very fortunate to have the intrinsic learning from South Africa and we have ensured these lessons were reflected on and included in the International <IR> Framework"; and "the three King reports over two decades [have] brought transparency, equality and proper disclosure of information to South Africa, and now the world" (IIRC, 2014).

corporate boards (from 3rd to 34th); the protection of minority shareholders' interests (from 3rd to 30th); financing through the local equity market (1st to 25th); and the regulation of securities exchanges (2nd to 46th) (Schwab & Sali-i-Martín, 2015; Verhoef & Samkin, 2017; World Economic Forum, 2018). Despite the challenges faced, South Africa remains highly ranked with regard to financial and reporting standards.

The combination of developing and developed country attributes in South Africa creates a unique setting for studying the CCID presented. The major social challenges that South Africa faces, highlight the imperative for community investment. It is essential for South African organisations to understand the impact of their operations on the local community and society in general – as this understanding could, in turn, affect the operation of business (KPMG, 2016:9). The need for CCI was explained in sections 1.1 and 1.2 of this chapter. CCID reflect a business organisation's communication of these actions.

1.3 MOTIVATION FOR THE STUDY

CCID are but one element of the CSR reporting notion (Bowen, Newenham-Kahindi & Herremans, 2010:297; Muthuri, 2007:177; Uyan-Atay, 2010:4; Yekini & Jallow, 2012:8). Despite extensive research on CSR (Ackers & Eccles, 2015; Cahan, De Villiers, Jeter, Naiker & Van Staden, 2016; De Klerk & De Villiers, 2012; De Villiers & Alexander, 2014; Dhaliwal, Li, Tsang & Yang, 2011; Godfrey & Hatch, 2007; McWilliams & Siegel, 2001; Roberts, 1992; Skinner & Mersham, 2008) and other elements of CSR such as environmental reporting (Cho & Patten, 2013; De Villiers & Van Staden, 2006, 2010; Deegan & Gordon, 1996; Deegan & Rankin, 1999; Gray & Laughlin, 2012; Hasseldine, Salama & Toms, 2005; Owen, 2008) – scant attention has been paid to CCID (Soobaroyen & Mahadeo, 2016:452).

The identified paucity of CCID literature is further highlighted in extant research on CCI and corporate philanthropy. CCI research, among other studies, includes the following:

- the management and strategic direction of CCI projects (Bowen et al., 2010; Liu, Eng & Ko, 2012; Muthuri, Moon & Idemudia, 2012; Van der Voort, Glac & Meijs, 2009);

- an overview of CCI in developed countries (Brammer & Millington, 2003; Moon & Muthuri, 2006);
- a critical analysis of CCI in developing countries (Muthuri, 2007; Silawi & Tilt, 2016; Uyan-Atay, 2010);
- social value creation developments (Esteves, 2008; Esteves & Barclay, 2011; Esteves & Vanclay, 2009; Kroeger & Weber, 2014); and
- CCI perspectives from CSR commitments (Brueckner & Mamun, 2010; Sitkin, 2013).

Corporate philanthropy research attempts to investigate corporate philanthropy as an indication of CCI, thereby limiting the scope of CCI to charitable giving (Moon & Muthuri, 2006:8; Muthuri, 2007:188; Tracey, Phillips & Haugh, 2005; Yekini, 2012). A misleading picture of CCI is thus presented, as CCI goes beyond donations, because it represents the company's "involvement in social initiatives to meet the needs of the communities in which they operate" (Moon & Muthuri, 2006:5). In addition to cash contributions, CCI also includes giving local people and organisations access to the company's equipment or infrastructure, human resources and business capacity (Moon & Muthuri, 2006:7). Hence, by using only corporate philanthropy literature, the definition of CCI is narrowed. This study relied on corporate philanthropy literature, because it represents a component of CCI.

Several CSR disclosure studies include and analyse CCI as a component of the broader CSR disclosure study (Branco & Rodrigues, 2008; Cowen et al., 1987; Michelon & Rodrigue, 2015; Tilt, 1994). The first study specifically examining CCID was that of Campbell et al. (2006), which investigated how the reporting of CCID differs among companies). Yekini, Adelopo and Adegbite (2017), Yekini, Adelopo, Andrikopoulos and Yekini (2015) and Yekini and Jallow (2012) conducted a quantitative analysis in an attempt to understand the motivation for and significance of CCID in a developed country setting. Soobaroyen and Mahadeo (2016:452) performed a CCID study in Mauritius (a developing country) and reported that corporate social disclosures are often influenced by international standards as well as local factors.

Yekini and Jallow (2012:20) found that most CCID comprised general statements instead of specific CCID, which do not represent satisfactory disclosures of good quality. A recent study by Diouf and Boiral (2017:653) on stakeholders' perceptions of the quality of sustainability reports, indicated that many of these reports are not complete or balanced, lack detail and overemphasise successes. There is a need for a set policy, reporting benchmarks or industry standards for social disclosures (Ackers & Eccles, 2015; Adams, 2004:752; Hossain, Alam, Islam & Hecimovic, 2015:287; Van der Ahee & Schulschenk, 2013:17). According to Arli and Cadeaux (2014), the voluntary CSR or CCI reporting guidelines available to organisations are still in their infancy, leaving much scope for improvement. Ackers and Eccles (2015:524,525) stated that because of the voluntary nature of CSR reporting, comparability will remain a challenge until the introduction of standards that can be applied consistently across countries.

The accountability notion of disclosures extends beyond the mandatory financial and economic performance requirements (Atkins & Maroun, 2015:199; IIRC, 2013b:2), and assumes that social information is material to stakeholders (Guthrie, Petty, Yongvanich & Ricceri, 2004:283; Looser & Wehrmeyer, 2015; Mahoney, Thorne, Cecil & LaGore, 2013). The current study considered stakeholder theory and legitimacy theory as the main theoretical perspectives. Stakeholder theory and legitimacy theory originated from the political economy theories and are frequently applied in the CSR literature (Deegan, 2009; Fernandez-Feijoo, Romero & Ruiz, 2013; Gunawan, 2015; Liu et al., 2012; Looser & Wehrmeyer, 2015; Monfardini, Barretta & Ruggiero, 2013; O'Dwyer, 2005; Rashid, 2015; Thorne, Mahoney & Manetti, 2014; Tilling & Tilt, 2010; Van der Laan Smith, Adhikari & Tondkar, 2005). Legitimacy theory, which is analogous to stakeholder theory, assigns a level of organisational accountability to the reporting entity. It posits that the organisation should obtain its "social licence" to operate from society (Chen & Roberts, 2010:651; Deegan, 2009:346). The entity's actions are deemed appropriate and proper within the socially constructed value systems of society (Suchman, 1995). Society is viewed in general and regarded as a single group, whereas stakeholder theory considers the requirements and needs of the various stakeholder groups (Chen & Roberts, 2010:653).

Motivation for this research arose from the dearth of research and literature on the disclosures of CCI activities in a developing country context. The level of accountability assigned to organisations goes hand in hand with the need for quality disclosures by stakeholders.

1.4 PROBLEM STATEMENT

CCI is becoming an increasingly salient aspect of CSR (Moon & Muthuri, 2006; Uyan-Atay, 2010). Most CCID contain only general statements rather than specific details of community involvement projects (Yekini & Jallow, 2012). Investors and analysts find that social disclosures are incomplete and incomparable for decision-making purposes (Van der Ahee & Schulsckenk, 2013). Stakeholders perceive that social disclosures (sustainability reports) are the organisation's impression management tool to obfuscate negative outcomes and highlight positive elements (Diouf & Boiral, 2017). Based on stakeholder theory principles, the notion of accountability means that it is the organisation's duty to provide an account of those actions for which the organisation is responsible (Gray, Owen & Adams, 1996b:38), and "[t]o be accountable is regarded as both a moral right and morally right for all kinds of organizations, and reporting is the main way to fulfil accountability obligations" (Monfardini et al., 2013:55).

Despite the South African regulatory initiatives that require business organisations to account for and disclose their non-financial performance (IIRC, 2013b; IODSA, 2009, 2016b), the preparation of reports that disclose accurate and complete information on CSR to decision-makers and stakeholders is left to the discretion of corporate managers (Ackers & Eccles, 2015; Horn, De Klerk & De Villiers, 2018). Setia, Abhayawansa, Joshi and Vu Huynh (2015:417) postulated that the lack of adequate guidance on integrated reporting is the reason for some JSE-listed companies presenting a lower level of disclosures in their integrated reports. The lack of guidance and practice examples was deemed to be one of the main challenges to effective integrated reporting (IIRC, 2017; Rinaldi, Unerman & De Villiers, 2018).

In spite of the regulatory requirements of the King Codes and the IIRF, there is currently no framework or reporting model for CCID in South Africa. To assist South African organisations to account for their CCI contributions, a reporting framework could be useful for accurately disclosing CCI contributions.

1.5 RESEARCH OBJECTIVES AND QUESTIONS

Although South African-listed companies are required to disclose their non-financial performance, the literature suggests there is no framework for CCI reporting.

The main research objective of this study was as follows:

- To develop a disclosure framework to guide CCI reporting in South Africa.

In order to develop a disclosure framework for CCI in South Africa, the following research questions were formulated to guide the research design, data collection and analysis:

1) What is the current state of best practice CCI reporting in South Africa?
2) What CCI information is required by company stakeholders?
3) What is the current nature, extent and quality of CCID made by JSE-listed companies?
4) How are the information needs of stakeholders currently being met?
5) What are the current limitations on CCI reporting in South Africa?

1.6 RESEARCH METHODS

This study examined the above research objectives and questions in three research stages. The research methods that were applied to answer each research question and to achieve the research objectives, are briefly explained in this section.

This study followed a pragmatic research methodology with a mixed-methods approach. Quantitative and qualitative data analysis methods were chosen to gain a deeper understanding of CCI reporting in South Africa. The goal of mixed-methods research is not to replace qualitative or quantitative research approaches because both are important and useful. Instead it draws from the strengths and diminishes the weaknesses (Johnson & Onwuegbuzie, 2004:14). Mixed-methods studies collect qualitative and quantitative data in order to better answer the research problem (Teddlie & Tashakkori, 2009). Pragmatic researchers focus on designing research approaches in order to answer the research question (Johnson & Onwuegbuzie, 2004:15; Saunders, Lewis & Thornhill, 2009:109; Tashakkori & Teddlie, 1998, 2010).

The three research stages in this study were conducted sequentially and based on the literature review, which served as the research preparation stage. An initial CCID framework was developed from the extant literature, available CCI reporting guidelines and the CCID of top-performing CSR companies. The initial CCID framework was further refined and validated after conducting interviews with CCI experts. The CCID framework was applied to a sample of JSE-listed entities in the Basic Materials and Financials industries.

An overview of the three research stages is provided in figure 1.1 below, which is followed by a brief discussion of each stage.

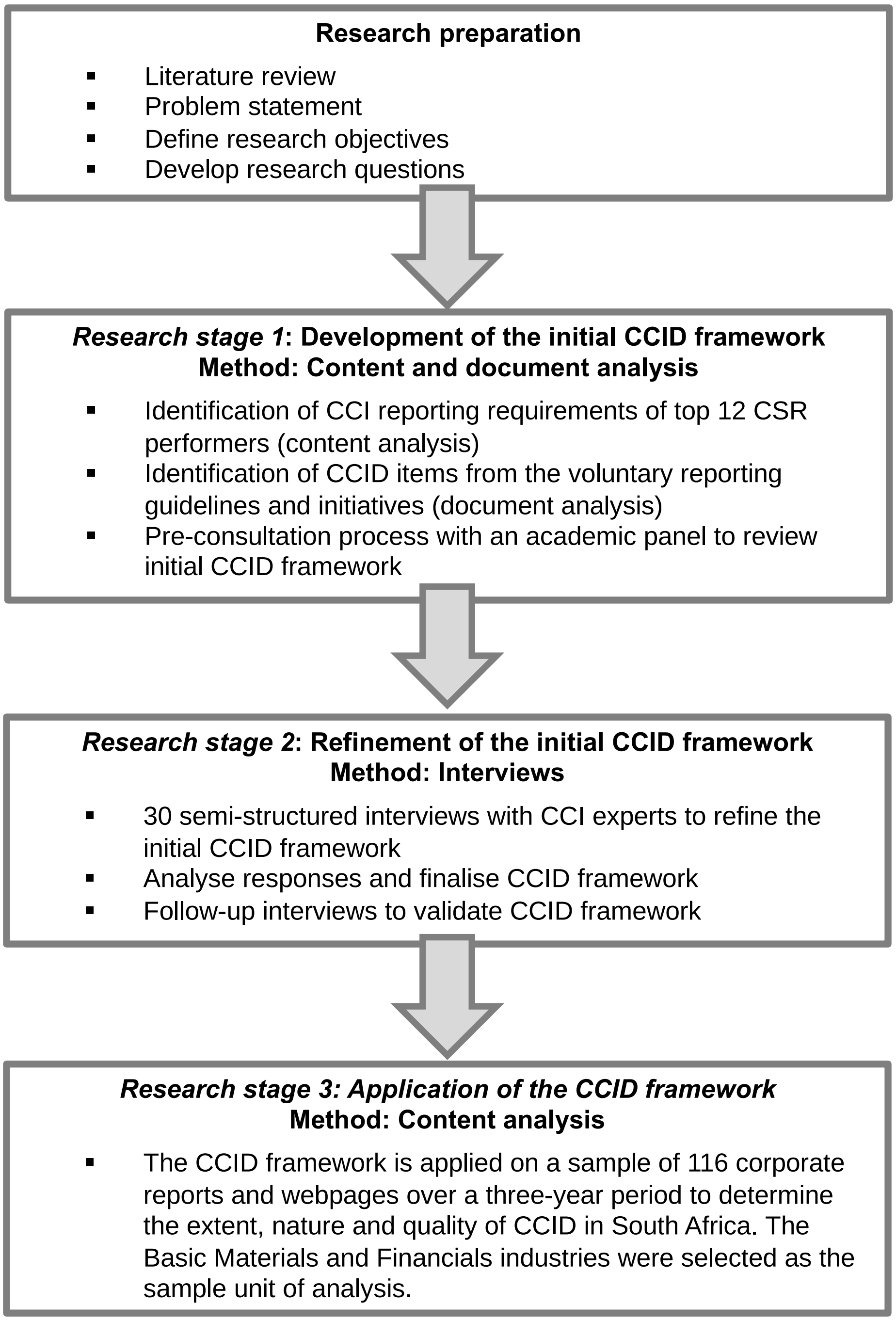


Figure 1.1: Summary of research stages

The first research stage determined the state of best practice CCI reporting in South Africa. Content analysis of CCID was performed on a sample of the 12 top CSR performers in South Africa. The 2016 financial year's CCID – as disclosed in the integrated and sustainability reports and corporate webpages – were analysed by making use of a template analysis approach. This period informed the current CCI practices and provided adequate information to achieve the research objectives of this study. During this stage, an initial CCID framework was constructed containing 31 CCID items presented in nine general categories. The documentary sources used to develop the initial CCID framework included available voluntary reporting guidelines from private reporting organisations and other non-accounting bodies, such as CCI consultancy organisations. The initial CCID framework formed the basis of the framework to guide CCI reporting in South Africa.

In research stage 2, semi-structured interviews were conducted to determine what a group of CCI experts (researchers, stakeholder groups and corporate managers) deem important for companies to disclose in relation to CCID. The initial CCID framework (as developed in research stage 1) was refined and validated by the panel of experts during research stage 2. This approach included a qualitative analysis of opinions on CCID items. The importance of CCID elements was weighted by the expert opinions. This stage determined an applicable standard or benchmark for CCI reporting. The refined CCID framework established the framework for CCI reporting in South Africa.

Research stage 3 investigated how the information requirements of stakeholders are currently being met or not met, and determined the extent, nature and quality of CCID of a sample of JSE-listed entities in South Africa. The sample yielded 116 documents, which were analysed (see table 8.1, section 8.2, chapter 8). The corporate reports included 60 integrated reports (IRs), 36 sustainability reports (SRs) and 20 corporate webpages (CWs), from the Basic Materials industry and the Financials industry for a three-year period. A purposive sample of large companies in these two prominent South African industries was selected (see section 5.4.1.4(c)(iii)). This comparison presented qualitative data and findings on the quality of CCI reporting in South Africa. Inferential statistics were conducted to provide a quantitative overview of the findings. During this stage, the current limitations of CCI reporting in South Africa were also identified.

In mixed-methods research, the research objectives and questions drive the selection of the most appropriate research method (Johnson & Onwuegbuzie, 2004; Tashakkori & Teddlie, 1998). Table 1.1 (below) indicates how the proposed research methods answered each research question, and thus achieved the research objectives formulated for the study.

Table 1.1: Research methods, questions and objectives

Research methods	Research questions
The initial CCID framework *Research stage 1*: Content and document analysis	1) What is the current state of best practice CCI reporting in South Africa?
The refinement of the CCID framework *Research stage 2*: Interviews	2) What CCI information is required by company stakeholders? 5) What are the current limitations on CCI reporting in South Africa?
The application of the CCID framework *Research stage 3*: Content analysis	3) What is the current nature, extent and quality of CCID made by JSE-listed companies? 4) How are the information needs of stakeholders currently being met? 5) What are the current limitations on CCI reporting in South Africa?

1.7 CONTRIBUTION OF THE STUDY

This study contributes to the existing literature in two unique ways. Firstly, it adds to the CSR literature and specifically to the limited CCID literature. Secondly, it makes a practical contribution to the preparation of CCID. The research was conducted within a unique market orientation, namely South Africa as a developing economy with the reporting practices of a First World country.

The CCID framework should assist corporate managers and preparers of CCI reports with the preparation of disclosures, which addresses stakeholder requirements and needs. Owing to the increasing need for practice-based research to address the practical issues between accounting and society (Dumay, De Villiers, Guthrie & Hsiao, 2018:1522), accounting research needs to exceed observations, and rather engage in research to construct a more equal and fair society (Guthrie & Parker, 2017:2). This study incorporated the perceptions of CCI experts, comprising corporate managers (preparers), user groups such as non-profit organisations and specialists in the field, including audit practitioners, academics, consultants and non-executive directors. This study should improve CCI reporting in South Africa because of the incorporation of stakeholder requirements into CCI reporting. This contribution should improve the communication and relationship between the organisation and stakeholders. This study should also contribute to the broad integrated reporting discipline, because CCID are disclosed as part of the social and relationship capital of the IIRF.

Previous CCID studies are mainly quantitative, with the purpose of analysing or comparing CCID relationships or changes. However, the aim of this study was to develop a CCID framework and to provide a qualitative perspective to the CCI reporting notion. In accordance with De Villiers, Dumay and Maroun (2019) and De Villiers and Hsiao (2018), qualitative research in accounting plays a key role in the understanding, reporting and management of social and environmental issues.

Several social reporting studies recommend the development of a benchmarking system to accurately measure social disclosure outcomes (Adams, 2004:752; Alves, 2009:93; Hossain et al., 2015:287; Van der Ahee & Schulschenk, 2013:17). According to Bowen et al. (2010:312) the accurate measurement of cost and benefits can result in successful CCI projects. Although inconsistent measurement approaches are applied, several entities do measure and evaluate the impact of their contributions to communities (Maas & Liket, 2010:445). It is in this area that the current study could make a contribution, namely by developing a framework to guide CCI reporting in South Africa.

This study is one of the first CCID studies to consider the integrated reports as well as the sustainability reports and corporate webpages of JSE-listed organisations. It extends the previous CCID literature, which has mainly analysed integrated or annual reports (Adams, Potter, Singh & York, 2016; Campbell et al., 2006; Soobaroyen & Mahadeo, 2016; Yekini et al., 2017; Yekini et al., 2015; Yekini & Jallow, 2012).

The application of the CCID framework also contributes to the existing literature by providing insights into CCI reporting by JSE-listed organisations in the Basic Materials and Financials industries. The application of the CCID framework to the sample of companies analysed should also make a contribution to the existing literature by providing empirical insights from a developing country perspective into the realities faced by these two industries.

This study was conducted in South Africa, an emerging economy with established, internationally recognised reporting practices. Based on the country's unique economic, social and institutional factors, the study should provide a comparative research context for CCID, which could be applicable to both developing and developed economies. The research and its contribution in this distinct social dimension, should create avenues for a variety of constituents to draw from.

1.8 SCOPE OF THE STUDY

The objective of this study was to develop a best practice CCID framework for JSE-listed organisations in South Africa. The development of the framework comprised the first two research stages of the study, following a purposive sampling approach. This developed framework incorporated best practice and the opinions of CCI experts on stakeholder expectations. In the third research stage, the framework was applied to a sample of JSE-listed entities. The framework was applied to two prominent South African industries, namely Basic Materials and Financials. A purposive sample of large companies in these industries was selected (see section 5.4.1.4(c)). The integrated reports, sustainability reports and corporate webpages for the three years (2015 to 2017) of the sample of companies were analysed. Hence, the sampling technique adopted in this study should limit the generalisability of the findings, even though the research objective formulated for the study was achieved.

1.9 LIST OF DEFINITIONS USED

The extant literature provides several definitions of social accounting terms deemed relevant to this study. Throughout the study, various definitions were considered and discussed, but the applicable definitions of terms used in this study are listed below.

Corporate community involvement (CCI)

CCI "goes beyond donations to charities to include committing significant time and other company's resources such as money, skills and expertise to community projects and developments, including but not limited to arts, housing, the environment, poverty eradication, health and wellbeing, welfare and general improvements in the quality of life of the community" (Moon & Muthuri, 2006:7; Yekini et al., 2017:250).

Corporate community involvement disclosures (CCID)

CCID, as described by Patten (1995:280), relates to the reporting of an organisation's community activities, donations of cash, offering of products or services to health, education and art related activities – or any other community activity disclosures.

Corporate philanthropy

According to the Financial Accounting Services Board (FASB,1993:6), corporate philanthropy is defined as "voluntary and unconditional transfers of cash or other assets by private firms for public purposes" (Gautier & Pache, 2013:343).

Corporate social investment (CSI)

CSI, as defined in King Code III, "[i]s one manifestation of Corporate Responsibility. In the narrow sense it refers to donations and other kinds of financial assistance (made for an altruistic purpose), and in the broader sense, includes other kinds of contributions beyond just financial assistance" (IODSA, 2009:51).

Corporate social responsibility (CSR)

Carroll (1979:500; 1991:283) defines CSR as "the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time". Furthermore, CSR includes "a wide range of issues such as plant closures, employee relations, human rights, corporate ethics, community relations and the environment" (Moir, 2001:2).

Similarly, Branco and Rodrigues (2008:693) state that CSR disclosures refer to environmental, human resources, products and consumers, as well as community involvement disclosures.

Social accounting

Social accounting relates to "… the process of communicating the social and environmental effects of organisations' economic actions to particular interest groups within society and to society at large" (Gray, Owen & Maunders, 1987:ix). Examples of social reporting matters include issues such as labour management and practices, health and safety, human rights, local community relations, anti-corruption policies, and product responsibility (GRI, 2013:9).

Social accounting includes terminology such as “social disclosure; social reporting; social and/or environmental and/or sustainability accounting; social responsibility disclosure; social, environmental and ethical reporting; and any number of combinations of these terms plus other synonyms” (Gray, Adams & Owen, 2014:3).

Stakeholders

King Code III defines stakeholders as follows: “Any group affected by and affecting the company’s operations” (IODSA, 2009:60).

1.10 OVERVIEW OF THIS CHAPTER AND CHAPTER LAYOUT OF THE STUDY

The purpose of this chapter was to provide a brief overview of the study. South African history contextualises and positions the study. The motivation for the study arose from the need for quality social reporting practices and accountability relating to CCID. In South Africa’s unique social setting, where upliftment of previously disadvantaged communities is vital, the need for CCI is obvious. A pragmatic philosophical approach with the use of a mixed-methods approach was adopted and an overview of the three research stages was provided. The contribution and significance of the study were discussed, as were the research objectives and research questions formulated for the study. The main objective of the study was to develop a disclosure framework to guide CCI reporting in South Africa.

The layout of the remaining chapters is as follows:

Chapter 2 describes how CCID is positioned within the broader CSR, social accounting, and sustainability literature. This comprehensive overview expands on specific CCID research and provides a foundation from the perspective of the literature. Based on the review of prior literature, this chapter highlights the need for a CCID framework.

Chapter 3 discusses the context of South Africa as a developing country. It focuses on the emergence of the regulatory requirements and discusses country-specific matters. The corporate social investment notion, and its use in South Africa are highlighted.

Chapter 4 deals with the theoretical perspectives underpinning this study. The purpose of the chapter is to provide an overview of and justification for the theoretical perspectives supporting the study. The underpinnings of legitimacy theory and stakeholder theory, which are applicable to this study, are elaborated on.

Chapter 5 focuses on the research methodology and research stages adopted in the study. The chapter includes background information on the research method, the applicable philosophical assumptions, as well as the research approach. The research strategy includes the specifications relating to the data analysis and collection. The three research stages are discussed in detail.

Chapter 6 explains the development of the initial CCID framework. The chapter presents the results and findings of research stage 1 and concludes with the initial CCID framework that was used in research stage 2 of the study.

Chapter 7 presents the results and findings relating to research stage 2. During this stage, the initial CCID framework was refined through semi-structured interviews with a group of CCI experts. The chapter presents the ratings of disclosure importance of the initial CCID framework and discussions applicable to CCI reporting for JSE-listed entities in South Africa. The refined CCID framework was validated by conducting follow-up interviews with CCI experts. It concludes with the final CCID framework. The final refined CCID framework is applied in research stage 3 of the study.

Chapter 8 presents the results and findings of the CCID framework application, based on a sample of Basic Materials and Financials companies listed on the JSE. The application of the CCID framework allows the study to meet several of the research questions of the study.

Chapter 9 presents the overall findings of the study, providing a holistic depiction of the results, theory and literature.

Chapter 10 concludes the study. The chapter briefly revisits the research background, questions and approach. The main results and findings are explained and the contribution of the study discussed. The research implications for policy and practice are highlighted, together with the research recommendations and limitations, and possible areas for future research are also discussed.

CHAPTER 2

LITERATURE REVIEW: AN OVERVIEW

2.1 INTRODUCTION

The literature review is presented in three chapters. Chapter 2 provides a literature review of aspects of CCID, chapter 3 deals with the literature relating to CCID in South Africa and the country-specific considerations, and chapter 4 discusses the theoretical perspectives underpinning the study and the research objectives. This study contributes to the existing literature by providing qualitative insights, which should add a new dimension to the perception of corporate disclosures (see section 1.7, chapter 1).

This chapter examines the overarching and related research applicable to disclosures presented by organisations on their CCI activities and provides the backdrop for the need to develop a CCID framework. More specifically, the purpose of this chapter is to present CCID as a subset of CSR and the broad social accounting notion. The chapter commences with an overview of sustainability and sustainable development factors (section 2.2). Thereafter, the background on social accounting research is briefly presented, as these voluntary social disclosures create a comprehensive backdrop for CCID research (section 2.3). Since CCID are positioned within the CSR notion, a CSR overview specifically focusing on a developing country's considerations is also presented (section 2.4). The chapter concludes with a literature review of CCID (section 2.5), which includes an overview of CCI research, the motivation for CCID, and specific aspects of CCID research and disclosure quality. The concluding section supports the problem statement (section 1.4) and highlights the gap identified in the literature, which was the motivation for the research.

As an introductory note to the chapter, social and environmental accounting (SEA), sustainability accounting and CSR are all themes relating to the broad social accounting notion, whereas CCID are positioned within the broad social accounting notion. Based on the belief that organisations are accountable to society for their actions (Gray, 2010a; Gray, Owen & Maunders, 1991; Hossain et al., 2015), social disclosures are mechanisms that business organisations can use to communicate their actions to their stakeholders (Bebbington, Larrinaga-González & Moneva-Abadía, 2008; Epstein & Freedman, 1994:96; Gray et al., 2014).

According to Clarkson (1995), stakeholders include investors, creditors, employees, suppliers, customers, government and the community. Even though not all stakeholders are shareholders, all stakeholders have the right to be informed about the extent of the organisation's actions and impacts (Epstein & Freedman, 1994; Gray et al., 2014:6; Gray et al., 1991; Hossain et al., 2015; O'Dwyer, 2005). Corporate communication is central to the complex corporate environment, where performance is no longer only dependent on economic models because organisational goals, political and social considerations are intertwined (Adelopo & Yekini, 2018). Social accounting disclosures are used to manage stakeholder relations and improve the transparency of organisational actions (Guthrie & Parker, 1990; Schneider & Samkin, 2008). Social disclosures include matters such as environmental impacts, consumer relations, human resource properties, CCI, energy effects and health and safety matters (Epstein & Freedman, 1994; GRI, 2013).

2.2 SUSTAINABILITY AND SUSTAINABLE DEVELOPMENT

Sustainability is often regarded as the solution to all social obstacles, poverty and environmental decline (Gray, 2006b). Sustainability principles are deemed to have value, which guarantees the future of our planet and the human race (United Nations, 2013). The United Nations' Sustainable Developmental Goals (SDG) accentuate the importance of addressing social needs as part of the implementation of sustainable development practices. Social requirements include issues such as food security, water and sanitation, health and education services (United Nations, 2015b). As part of the 2030 SDG agenda, the goals acknowledge that positive social and environmental development is closely intertwined with economic growth (United Nations, 2016).

Furthermore, the Organisation for Economic Co-operation and Development (OECD) supports the United Nation's SDG with policy work and the implementation of monitoring systems for developing and developed countries. The OECD promotes policies to improve the economic and social wellbeing of people worldwide. Another international key player in the advancement of sustainability practices is the Global Reporting Initiative (GRI). According to the GRI (2013:17), sustainability reporting is grounded on the organisation's ability to contribute, or how the organisation intends to contribute to positive economic, environmental and social developments in the future. The United Nations has also issued the Global Compact and Principles for Responsible Investment. The Compact is based on the belief that access to natural resources and social pressures have become material issues for the corporate world (United Nations, 2015a). International regulatory bodies are becoming key participants in the corporate standard-setting process (Reynolds & Yuthas, 2008). The GRI guidelines were considered in the development of the CCID framework (see research stage 1, chapter 5). The OECD, the GRI and the United Nation programmes and principles, all provide voluntary guidance for sustainable development and reporting practices, in which social sustainability is urgently earmarked for all business organisations (United Nations Global Compact, 2000). In South Africa, the King Code of Corporate Governance encourages sustainable advancement. The most recent King Code IV and King Code III are discussed in chapter 3.

Sustainable development has an impact on an organisation's economic, social and environmental activities. The IIRC states in its basis of conclusion that "*a sustainable planet and a stable economy require sustainable businesses that support broader societal interests by undertaking long term, as well as short and medium term, value creation within planetary limits and societal expectations*" (IIRC, 2013a:6). Within this intertwined three-dimensional definition, the aim of the current study was to analyse some of the organisation's socially related activities, focusing explicitly on CCID.

2.3 BACKGROUND ON SOCIAL ACCOUNTING RESEARCH

According to Gray (2002:687,699), social accounting is the accounting of all possible things that remain under-theorised and cannot be regarded as a single subject. Examples of social reporting issues include, for example, labour management and practices, health and safety, human rights, local community relations, anti-corruption policies and product responsibility (GRI, 2013:9). Social accounting is the combination of various factors accounted for through various media prepared for various user groups and purposes – other than the accounting of economic events – in financial terms for the providers of capital for financial decision making (Gray et al., 2014:5). Gray (2002:693) posited that each social accounting topic has distinctive issues which merit individual attention.

Social accounting has attracted much academic attention since its inclusion in organisational reporting practices (Deegan, 2002; Gray et al., 2014). Research topics include the following: the evaluation of social, environmental and sustainability reporting practices; motivations for and determinants of social accounting; theory development to understand and explain reporting practices; and economic performance impacts and market reactions relating to social disclosures, social audits, and discussions on the most appropriate method and methodological issues (Deegan & Soltys, 2007; Owen, 2008). Specific emphasis has been placed on CSR reporting, which expresses the corporate world's concern for society as a whole (Sitkin, 2013). In large organisations, there is concern about the composition of social and sustainable accounting, and it is in these matters of concern that there has been considerable potential for development (Gray, 2010b:24).

Social accounting has been regarded as a substantive discipline since the 1960s and early 1970s (Gray & Laughlin, 2012:229; Mathews, 1997; Owen, 2008:243). During this period, research mainly focused on descriptive empirical work emanating from Europe which directed the emergence of CSR initiatives, and capital market studies from the United States (US) (Owen, 2008:243). Research during this period was generally of a "conservative, managerialist orientation" (Owen, 2008:243).

From the 1980s to the early 1990s, the focus in social accounting research shifted to the investigation of environmental accounting and auditing matters – resulting in an almost total abandonment of the other social concerns (Gray, 2002:703; Gray & Laughlin, 2012; Owen, 2008:242; Parker, 2005:852; 2011:4). Research in this period included empirical studies and the application of content analysis methodology approaches (Aupperle, Carroll & Hatfield, 1985; Owen, 2008; Ullmann, 1985; Waddock & Graves, 1997). Attention was drawn to the theoretical underpinnings and philosophical views on social and environmental accounting research, which were widely debated and discussed (Owen, 2008:243). With legitimacy theory as the predominant focus – in an attempt to explain social accounting practices – studies also drew from social contract, political economy and stakeholder theory, in order to justify the development of accounting disclosures (Cowen et al., 1987; Donaldson, 1982; Gray, Owen & Maunders, 1988; Guthrie & Parker, 1990; Owen, 2008; Reynolds & Yuthas, 2008). According to Reynolds and Yuthas (2008:62), stakeholders should form an inherent part of the CSR reporting conversation, rather than being peripheral to the process.

After 2000, social matters gained more research attention, as CSR business practices and sustainability agendas developed (Gray & Laughlin, 2012:230; Parker, 2011:4). During this period, academic critique became more prevalent (Owen, 2008; Parker, 2011). Criticism includes the relevance of social accounting and the failure to effectively engage with practice and involve the profession (Gray, 2002; Parker, 2005). Although social accounting research made significant progress, there was still much to achieve. Critics would go as far as suggesting that social accounting research made no contribution to the literature (Owen, 2008:254). Social disclosures were used as a form of impression management by corporates (Sandberg & Holmlund, 2015).

The need for quality reporting on corporate social and environmental matters was long overdue (Friedman & Miles, 2001; Heald, 1957; Ullmann, 1985). Carrigan (1997) reported that the impact of social investment is not evaluated or monitored. According to Adams (2004:749), the lack of completeness on ethical, social and environmental reporting is of significant concern. Other scholars have suggested that instead of promoting transparent social disclosures in the organisation, social and environmental accounting is used as a legitimising tool (Deegan, 2002; Deegan, Rankin & Tobin, 2002) to redirect the concerns of powerful stakeholders (Koehn & Ueng, 2009; Sikka, 2010). The result of increased social disclosures in reaction to social incidents also supports the fact that these voluntary disclosure practices are used as a legitimising tool to influence society’s perception of the organisation (Deegan, Rankin & Voght, 2000). As postulated by Sitkin (2013), CSR reporting is used as device to enlighten a company’s self-interest in the sense that managers may engage in CSR reporting to disguise corporate misconduct (Hemingway & Maclagan, 2004; Jordaan, De Klerk & De Villiers, 2018; Muttakin, Khan & Azim, 2015). When selective social disclosures are presented, they can be used to create a misleading picture of what a community derives from an organisation (Sikka, 2010; Sitkin, 2013), as well as the abandonment of critical comments by stakeholders (O'Dwyer, 2005).

Motivations and theories supporting social disclosures have been widely discussed by researchers since 2000 (Campbell, 2007; Hossain et al., 2015; Islam & Deegan, 2008; Mahadeo, Oogarah-Hanuman & Soobaroyen, 2011; Silawi & Tilt, 2016; Tilling & Tilt, 2010), and the CSR reporting notion continues to attract academic attention (Freeman & Hasnaoui, 2011; Whitehouse, 2006). Adelopo and Yekini (2018:6) argued that the most corporate disclosure research is quantitative, with a strong focus on the use of regression models. The shareholder interactions and possible economic performance impacts relating to these disclosures have been a central area of investigation. Continued mixed and inconsistent evidence has been the result of several CSR studies (Cahan et al., 2016:581; Godfrey & Hatch, 2007:87), while all these studies seek economic justification for social disclosures (Epstein & Freedman, 1994:95). Differences in corporate social performance may vary across countries, because this type of performance relates to the institutions of a country at national level, which include the political, cultural and education systems (Ioannou & Serafeim, 2012).

Owen (2008:244) complained that despite the increasing number of research studies employing interviews and field studies for social accounting research, collaboration is usually with management and not with stakeholder groups. Despite the criticisms and apparent shortcomings, social accounting is still a vital tool to hold the powerful accountable for their actions (Owen, 2008:255). According to Sitkin (2013:323), social accounting can assist with the promotion of “a more accurate portrayal of the public outcomes of private actions”. Social accounting is therefore a valuable instrument that enables organisations to engage with sustainability matters affecting contemporary society.

2.4 CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORTING

As stated in section 2.3 above, CSR reporting is the overarching theme for CCID. McWilliams and Siegel (2001:117) define it as the “actions that appear to further some social good, beyond the interests of the firm and that which is required by law”. These social causes include a commitment to the environment, and providing community support and human rights protection (Dhaliwal et al., 2011). In a similar vein, Branco and Rodrigues (2008:693) state that CSR disclosures refer to environmental issues, human resources, products and consumers, as well as community involvement disclosures.

Carroll (1979:500; 1991:283) defines CSR as, “the social responsibility of business [that] encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time”. The CSR pyramid, as suggested by Carrol (1991), advocates that the first responsibility of business is of an economic nature, followed by legal, ethical and philanthropic activities. CSR can also be regarded as the policies and activities that extend mandatory obligations such as the organisation’s economic and legal responsibility (Halme & Laurila, 2009:237; Yekini et al., 2017). Visser (2008), however, contends that in developing countries there is a different ranking of responsibilities, and that while economic responsibilities (being profitable) are still the primary concern, discretionary/philanthropic responsibilities for social and community projects are secondary, followed by the legal and ethical responsibilities (see figure 2.1) (Visser, 2008). Legal responsibilities appear to be third, because of the limited resources available to develop, implement and enforce appropriate legal structures. Ethical responsibilities appear to be last – given the high corruption levels in developing countries (Visser, 2008). The strong emphasis on philanthropic/discretionary activities in developing countries is “the result of strong philanthropic traditions, an increasing acceptance of a reliance on aid, and the nature of educational, health and social issues that are present in developing countries” (Belal, Cooper & Roberts, 2013:85; Visser, 2008). According to Hamann (2006), philanthropic giving evokes the most critique as a part of CSR, especially when these gestures fail to make any meaningful impact.

Belal et al. (2013:89) argued that although social and environmental accounting has the potential to hold organisations within developing countries accountable for their actions, voluntary corporate disclosure practices are unlikely to, because of these countries’ fragile governance and legal structures – hence the need for regulatory and policy reforms to ensure substantive change in developing countries. Similarly, Stirling, Wilson-Prangley, Hamilton and Olivier (2016) advocated that in order to advance business and societal relations, companies should consider how to best legislate CSR practices, whereas Porter and Kramer (2011) asserted that CSR should rather be constructed and executed through a “shared value” concept. Shared value is based on the idea that economic value is created in a way that also creates value for society. According to Porter and Kramer (2011:64), shared value is not corporate social responsibility, philanthropy or sustainability – but rather a new approach for creating economic value for the company and its stakeholders. A study by Deegan and Shelly (2014:515) found that the Australian business community (which includes business corporations, industry and accounting bodies and accounting firms) was opposed to legislating CSR reporting practices, while social and environmental organisations and individuals favoured legislation in this regard. The opponents of mandatory CSR reporting are of the opinion that legislation would be costly and would suppress innovative CSR activities and reporting, resulting in a compliance mentality which would ultimately reduce the quality of reporting because of the "one-size-fits-all" approach (Deegan & Shelly 2014:518).

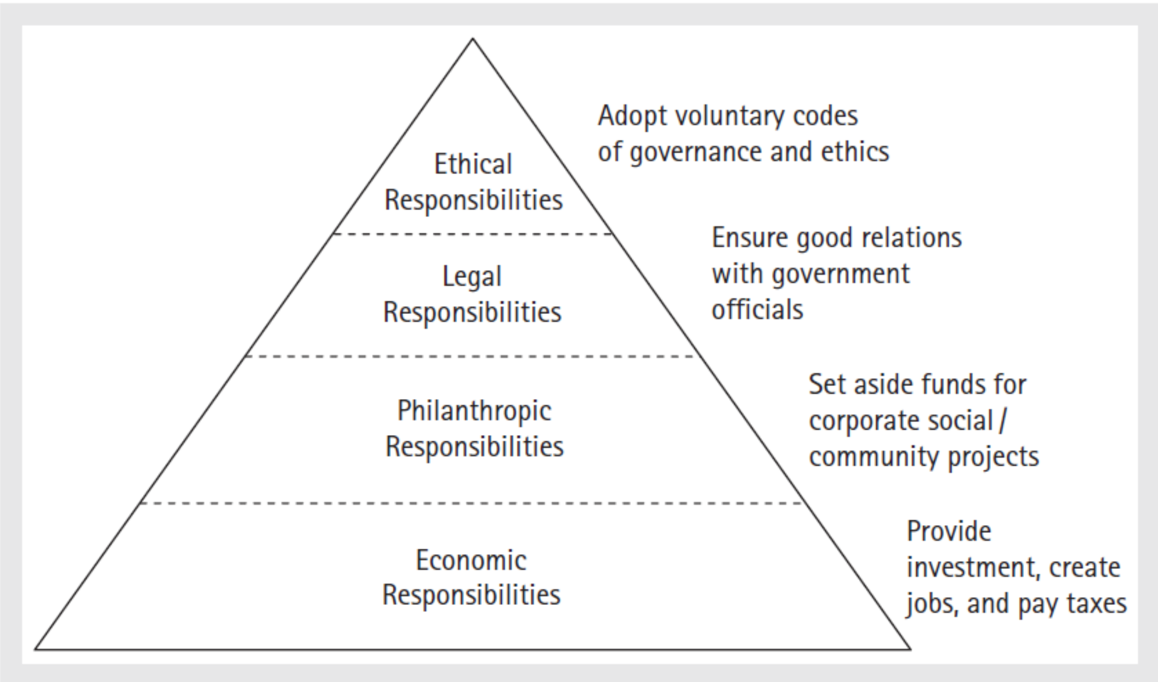


Figure 2.1: CSR pyramid for developing countries (Visser, 2008:489)

Owing to the fact that the nature of CSR reporting differs between developing and developed countries (Belal & Momin, 2009), Visser, Matten, Pohl and Tolhurst (2007) argued that CSR in developing countries often resonates strongly with traditional communitarian values. In South Africa, for instance, the concept of *Ubuntu* is based on service to humanity (Ubuntu, 2016). In terms of CSR benchmarks, standards, codes and management reports, CSR in developing countries tends to be less formalised compared with practices in developed countries (Visser, 2008:492; Visser et al., 2007). However, in contrast to these findings, a study investigating the CSR reporting of mining companies in South Africa and Australia found remarkable similarities (De Villiers & Alexander, 2014:198). The similarities in CSR reporting relate to the use of similar international reporting templates, although these international reporting guidelines are not necessarily the driver of CSR reporting in the respective countries (De Villiers & Alexander, 2014:198). If one compares the views of Carrol (1979; 1991) and Visser (2008) on CSR, Visser's view is a closer reflection of the South African position as a developing country. However, the ethical mechanisms such as the application of the King Codes and the use of IIRF, have placed greater emphasis on ethical behaviour. This could possibly suggest a higher ranking of ethical behaviour as opposed to philanthropic or discretionary responsibilities in South Africa.

Supporting the fact that global reporting initiatives are leading CSR reporting practices worldwide, Baskin (2006:35) found that the reporting of corporate social investment (CSI) activities (see section 3.3, chapter 3) in emerging-market companies was similar to that of leading companies operating in OECD countries. Baskin (2006) compared the CSR reporting of 127 leading companies in developing countries (Asia, Africa, Latin America and Central and Eastern Europe) with more than 1 700 leading companies from high-income OECD countries. In addition, Baskin (2006:35,46) found that emerging-market companies are more likely than leading OECD-based companies to have extensive CSI programmes in place, and concluded that CSI is more common in countries with high inequality levels, low government support levels and a relatively active civil society. KPMG (2016) found that South African companies present a more balanced view (reporting on challenges and failures) of CSR reporting compared to top global companies.

Prior literature on CSR includes research conducted on the following:

- shareholder interactions and requirements (Dhaliwal et al., 2011; Elliott, Jackson, Peecher & White, 2014; Mackey, Mackey & Barney, 2007; McWilliams & Siegel, 2000; Michelon & Rodrigue, 2015; Solomon & Solomon, 2006);
- value relevance of CSR reporting (Cahan et al., 2016; De Klerk & De Villiers, 2012; Marcia, Maroun & Callaghan, 2015);
- country-specific features (Baskin, 2006; Belal et al., 2013; Belal & Momin, 2009; De Villiers & Alexander, 2014; De Villiers & Van Staden, 2006; Freeman & Hasnaoui, 2011; Skinner & Mersham, 2008; Visser, 2008); and
- motivations for CSR reporting (Abbott & Monsen, 1979; Bradly, 2015; Godfrey, 2005; Harjoto, 2017; Hossain et al., 2015; Stirling et al., 2016).

As part of the motivations for CSR reporting, there are theoretical arguments for over- and under-reporting of CSR disclosures in the annual report (Abbott & Monsen, 1979:506). Since the annual report is primarily used to communicate the organisation's maximised profits to shareholders, where CSR (including CCI) is an expense for the organisation, what would the motives of corporate managers be to emphasise these expenses when reporting to shareholders (Abbott & Monsen, 1979:506)? The alternative view is that shareholders have a vested interest in the organisation's stability and legitimacy. Accordingly, in the event of any criticism of the organisation, management's policy to report on CSR disclosures could enhance the confidence of the politically oriented shareholders (Abbott & Monsen, 1979:506). In support of this statement, Atkins and Maroun (2015) found that institutional investors believe that social and environmental reporting is important to ensure legitimacy in South African capital markets.

Furthermore, according to Godfrey (2005), CSR allows organisations to create a competitive advantage, which increases revenue, particularly among socially sensitive consumers (Bradly, 2015:243). Other CSR advantages include brand differentiation, innovation and the advancement of long-term/sustainable thinking (Epstein-Reeves, 2012; Hess, Rogovsky & Dunfee, 2002). Accordingly, through CCID, corporate managers build a sound reputation for the organisation among its investors, and gain a competitive advantage for the organisation in the marketplace (Yekini, 2012). A CSR study in the US indicated that organisations with higher community, environmental, employee and product-related CSR activities have a lower likelihood of corporate fraud (Harjoto, 2017).

Although CSR is a strategic imperative, it has been criticised as being a form of corporate green-washing (Stirling et al., 2016). One of the major criticisms includes the quality and reliability of CSR reporting presented in the sustainability reports (Cho, Michelon & Patten, 2012; Dingwerth & Eichinger, 2010; Diouf & Boiral, 2017). Despite standardisation efforts, inconsistency in reporting hinders disclosure quality and the credibility of sustainability reporting (Dingwerth & Eichinger, 2010; Diouf & Boiral, 2017; Hahn & Kühnen, 2013). For example, Diouf and Boiral (2017:653) found that from a stakeholder perspective, the GRI indicators are too general and vague to lend themselves to comparisons between companies or comparisons over time. According to Dingwerth and Eichinger (2010:88), sustainability disclosures do not always provide a complete and credible picture of the organisation's various measures and activities.

Incomplete or skewed CSR reporting can be used to create a misleading picture of the social and environmental benefits flowing from an organisation (Diouf & Boiral, 2017; Godfrey, Mather & Ramsay, 2003; Sikka, 2010; Sitkin, 2013). Stakeholders agree that many sustainability reports lack possible comparability and accuracy of information – owing to uncertainties about differences in measurement units and indicators and the vagueness of the definitions applied (Diouf & Boiral, 2017:658). The inconsistent measurement and comparison of sustainability performance remains a problem for stakeholders (Boiral & Henri, 2017; Diouf & Boiral, 2017). Despite the general critique relating to CSR information in sustainability reports, stakeholders emphasise that the external assurance of CSR enhances the reliability and credibility of sustainability reports (Diouf & Boiral, 2017:656). In a recent paper relevant to this study, Ackers (2016), found that only 37% of the largest JSE-listed companies in South Africa provided independent assurance on their CSR disclosures.

Although the importance of including stakeholder expectations in CSR reporting has been widely acknowledged (Diouf & Boiral, 2017; O'Dwyer & Owen, 2005; Parker, 2005; Unerman, 2000), there is little research on the stakeholders who directly use the sustainability reports (Belal & Roberts, 2010; Diouf & Boiral, 2017; Haque & Islam, 2015; O'Dwyer, Unerman & Hession, 2005). De Klerk and De Villiers (2012) examined the value relevance of CSR for the largest 100 South African companies between

2007 and 2008. They found that CSR reporting provides additional information to shareholders, and this information is priced into the market value of the shares. A study examining the effect of King III, found that CSR reporting was not value relevant for the 2011 to 2012 period (Marcia et al., 2015:509). A possible explanation for the change in findings over time is that there is a disconnect between the quality of information presented and what investors consider to be useful. This led Marcia et al. (2015:509) to suggest that inadequate CSR information is provided to investors. Linked to the argument that inadequate CSR information is provided (Marcia et al., 2015), comparability and credibility are a concern because of the opportunistic behaviour of organisations (Hobson & Kachelmeier, 2005), as CSR reporting is subject to limited regulatory guidance (Ackers & Eccles, 2015; Dhaliwal et al., 2011).

Ackers and Eccles (2015) argued that the existing CSR reporting and assurance practices do not provide stakeholders with the required level of assurance. The voluntary nature of CSR reporting and assurance "impair[s] the ability of stakeholders to meaningfully assess the non-financial impacts of CSR activities, CSR reporting and assurance practices" (Ackers & Eccles, 2015:542). Horn et al. (2018) supported the findings of Marcia et al. (2015), and found that the firm value of South African companies was unaffected by CSR disclosures, and furthermore, that companies with negative CSR matters were more likely to obtain assurance on their CSR disclosures (Horn et al., 2018).

The next section flows from the CSR discussion, which specifically focuses on the CCID literature, including CCI and corporate philanthropy. It provides a discourse on the motivation for CCID as well as related disclosure quality aspects.

2.5 CORPORATE COMMUNITY INVOLVEMENT DISCLOSURES (CCID)

CCI is different from the other types of CSR because of its distinct altruistic motives (Yekini et al., 2017; Yekini et al., 2015). Altruism means that a party voluntarily assists another party at a cost to themselves (Cardwell, Clark & Meldrum, 2002) – whereas other types of CSR activities may be motivated by the need to redress the organisation's negative externalities (Yekini et al., 2017:3).

All social disclosures cannot be treated homogeneously, as each type has unique characteristics and applicable standards (Epstein & Freedman, 1994:96). According to Parker (2011:4), social disclosures include community relations, corporate philanthropy, ethical investment, employee health and safety, and minority employment matters. The following terms all represent an organisation's commitment to assist, uplift or support a community: community disclosure; community investment; corporate philanthropy; corporate charitable giving; corporate community involvement disclosures; corporate support; social partnerships; corporate social investment; and community engagement projects (Adams et al., 2016; Gautier & Pache, 2013:346; KPMG, 2014:4). Community disclosures, as described by Patten (1995:280), relate to the reporting of an organisation's community activities, donations of cash and the offering of products or services to health, education, cultural and artistic-related activities or any other community activity disclosures. According to Branco and Rodrigues (2008:693), CCID relate to the reporting of sponsorships – including charitable donations and activities. Examples of community-related disclosures include the following: the offering of educational programmes; plant site visits; support provided to local schools, sports and cultural activities; volunteer programmes; and social support programmes (Van der Laan Smith et al., 2005:148).

Several studies have identified the uniqueness of CCI activities and their different perspective when compared to the other types of CSR activities (Campbell et al., 2006; Moon & Muthuri, 2006; Rehbein & Schuler, 2015; Yekini et al., 2017; Yekini et al., 2015). CCI has an external outlook and focus, with tangible interactions between the organisation and its external communities, and focuses on poverty, education, the environment and health concerns (Rehbein & Schuler, 2015:796; Yekini et al., 2017). CCI, unlike the broad CSR notion, presents a unique and distinct type of corporate engagement with its community, because of tangible interactions and involvement with the society in which organisations operate (Rehbein & Schuler, 2015).

In this study, the terms "corporate community involvement (CCI)" and "corporate community involvement disclosures (CCID)" were used to investigate CCID in South Africa. In South Africa, however, firms generally prefer the notion of corporate social investment (CSI) – although the CSR notion is also used in response to international trends and global attitudes (Fig, 2005). In section 3.3 in chapter 3, the application of CSI in the literature is discussed.

2.5.1 Corporate community involvement (CCI)

CCI is becoming an increasingly salient component of the CSR notion (Moon & Muthuri, 2006; Uyan-Atay, 2010). Besides an organisation obtaining a social licence to operate and address legitimacy concerns (Campbell et al., 2006; Chen & Roberts, 2010; Deegan, 2009; Patten, 1995), the recognition of the importance of “communities” as a stakeholder group is growing (Boehm, 2005; Carroll & Buchholtz, 2003; Gunawan, 2015; Muthuri, 2007; Yekini et al., 2015), and specific benefits associated with CCI have been identified (Arli & Cadeaux, 2014; Bradly, 2015; Silawi & Tilt, 2016; Yekini, 2012).

The CCI-related literature reflects an ongoing debate about the relationship between CCI within the broader CSR movement (Van der Voort et al., 2009:312), and the same applies to corporate philanthropy (Seifert, Morris & Bartkus, 2003). Accordingly, CCID studies draw from the CSR literature to inform their analysis (Van der Voort et al., 2009:312). In terms of this concept, the academic work investigating CCID includes research on corporate philanthropy, CCI, community development, charitable giving and community engagement.

Van der Voort et al. (2009:312) defined CCI as “the donation of funds, contribution of goods and services, and the volunteering of time by company employees that is aimed toward non-profit and civic organizations”. Community development, as referred to by Idemudia (2007:5), is defined as

> the process by which the efforts of the people themselves are linked with those of other agents and actors to improve the socio-economic and cultural conditions of the community; this, in turn, leads to people becoming more competent to fully contribute to national progress and able to live with and gain some control over local conditions and the changing world.

Several studies have attempted to investigate corporate philanthropy as an indication of CCI (Brammer & Millington, 2004; Carroll & Shabana, 2010; Choi & Wang, 2007; Cowton, 1987; Patten, 2008). However, by using only charitable/philanthropic giving, the definition of CCI is too narrow, which provides a misleading picture of its overall nature (Lakin & Scheubel, 2010; Yekini, 2012). CCI, or “corporate community programs”, as denoted by Rehbein and Schuler (2015), relates to the participation of business organisations in societal projects in order to meet the needs of the communities in which they operate (Moon & Muthuri, 2006; Yekini et al., 2017; Yekini et al., 2015).

According to Arli and Cadeaux (2014:165), CCI can be categorised into the following four main areas: donations, employee volunteering, non-partnerships, and partnerships. Donations include sponsorships and cause-related marketing/ philanthropy. Non-partnerships indicate that the organisation works directly with the beneficiaries/recipients, whereas in partnerships, the organisation interacts with the non-profit or consultancy firm to address social issues (Arli & Cadeaux, 2014). In a similar vein, GRI (2008), Moon and Muthuri (2006), Muthuri (2007:187), and Uyan-Atay (2010:4,26) indicated that CCI includes a diverse range of activities ranging from employee volunteering to charitable or strategic philanthropic giving, cause-related sponsorship and marketing. These activities support a range of community needs such as cultural and artistic development, housing, welfare and education.

An organisation should have viable community relation programmes, with a sustainable focus in order to foster relationships with key community groups. The practices and procedures introduced should focus on responding to community expectations, concerns and issues, while striving to improve the community’s quality of life (Burke, 1999:28). According to Bowen et al. (2010:311), only transformational community projects can benefit both the company and community. Transformational projects go beyond community investment and involvement because they relate to the integration of community and business, and in this way society is changed through joint management projects, and joint decision-making and co-ownership structures (Bowen et al., 2010:305).

The sustainability of community projects depends on the community’s view regarding the responsibility they have towards the project (Bowen et al., 2010:312; Goodstein & Wicks, 2007:375). According to Nwankwo, Phillips and Tracey (2007:99), efficient social investments materialise by adopting a community enterprise approach. This approach revolves around the concept that the community owns and controls the project. The project is self-financed by sustaining the initial investment with its related activities. If it is impossible to sustain a project in this manner, this is usually a sign of accountability problems in the community, and possible continued financial support would be required to sustain the project. Similarly, Trialogue (2014) emphasises that social investments should be asset based as opposed to needs based, in order to be sustainable.

In the last 30 years of corporate philanthropy research, 44% of the literature has focused on the drivers of corporate philanthropy (Gautier & Pache, 2013:348). Drivers are classified into the following three levels: individual, firm and sector. Individual drivers include profit maximisation; agency theory, which requires the agents (managers) to meet the needs of the principals (owners); and ethical motives. Firm-level drivers include available firm resources (size); marketing prospects; ownership structures; composition of board members; and executive social networks. Field-level drivers include industry structure; consumer orientation; environmental and social externalities; and fiscal policies (taxes).

The outcomes of corporate philanthropy have attracted academic research, especially on the associations between firm profitability and firm characteristics (Amato & Amato, 2007; Campbell, Moore & Metzger, 2002; Gautier & Pache, 2013; Godfrey, 2005; Lev, Petrovits & Radhakrishnan, 2010; Patten, 2008; Seifert et al., 2003; Seifert, Morris & Bartkus, 2004; Wang, Choi & Li, 2008; Wang & Qian, 2011). However, there is a paucity of academic work on the actual outcomes of these projects for the beneficiary community (Gautier & Pache, 2013:363). According to Porter and Kramer (2011:66), "the competitiveness of a company and the health of the communities around it are closely intertwined". The company needs a supportive community, and the community needs a growing and successful company. When philanthropic giving is perceived as a genuine manifestation of the firm's underlying social responsiveness, this action increases firm value (Patten, 2008). According to Porter and Kramer (2002:58), corporate philanthropy can improve the company's competitive advantage when economic gains and social benefits are achieved.

Maas and Liket (2010:449) argued that there are three corporate philanthropy impact measurements, namely the business impact, the impact on society and reputation, and stakeholder satisfaction. Based on these measures, they conclude that corporate philanthropy is shifting from an altruistic to a more strategic approach (Maas & Liket, 2010:456).

Prior literature provides mixed evidence of the association between corporate philanthropy and company share prices. Several studies have reported a positive relationship between the contributions made to society and financial performance (Patten, 2008; Su & He, 2009; Wang & Qian, 2011). Others found no significant relationship (Campbell et al., 2002; Seifert et al., 2003, 2004; Wang et al., 2008). The inconsistent evidence is similar to that in the literature on the relationship between CSR and financial performance (Aupperle et al., 1985; Cahan et al., 2016; Gautier & Pache, 2013:358; Godfrey & Hatch, 2007; McWilliams & Siegel, 2000, 2001; Waddock & Graves, 1997). According to De Klerk and De Villiers (2012:22), these inconsistent results could suggest that CSR disclosures are context specific. The value accorded to CSR indicates the importance of country- and organisation-specific settings, which influence the extent of voluntary disclosures.

Adams and Whelan (2009:135) emphasised the need to understand where corporate social disclosures originate, which involves considering the continuous change in organisations. There are internal contextual variables that have an impact on social and ethical reporting (Adams, 2002:244). Clear identification of and interaction between the social investment participants improve the social investment planning process (Gautier & Pache, 2013:363), leading to more sustainable social investments. The importance of the planning or strategy phase of social investments is emphasised by the vast majority of literature supporting this matter (Brammer & Millington, 2003:354; Gautier & Pache, 2013; Porter & Kramer, 2002:2; Porter & Kramer, 2006).

As community expectations grow and legislative requirements relating to community empowerment increase, the social licence to operate is becoming increasingly important (KPMG, 2013a:2). According to Deegan (2009:325), the social licence to operate denotes that companies should meet the expectations and needs of society. Although there are several convincing arguments both for and against social investments, entities that fail to opt for social investments may lose their legitimacy in terms of customer and public esteem (Davis, 1973:321; Porter & Kramer, 2006; Porter & Kramer, 2011; United Nations Global Compact, 2000).

2.5.2 Motivation for CCID

Although there are various reasons and motivations why a company would elect to include CCI in its business activities, and thus present evidence of CCID activities in its annual report, the main reasons can be combined into the following two main categories:

1. the desire to be socially responsible by correcting the inequalities of the past (Carroll & Shabana, 2010; Fig, 2005; Hossain et al., 2015);
   or
2. increased benefits for the organisation because of CCI (Adams, 2002; Branco & Rodrigues, 2008; Lev et al., 2010; Silawi & Tilt, 2016).

In supporting the first motivation, Hossain et al. (2015:296) found that there is consensus among corporate managers that social obligation is one of the main drivers of corporate social and environmental responsibility practices. According to Carroll and Shabana (2010), who classify corporate philanthropy as a subset of CSR, the essence of CSR is an ethical and philanthropic action on the part of the organisation towards society. These perceptions of CSR are linked to the accountability model of Gray et al. (1996b), which focuses on the organisation's ethical/moral responsibility towards society and the community (see section 4.3.2, chapter 4). In South Africa the need to be socially responsible is elaborated on in section 1.2, chapter 1, and chapter 3.

The increased benefits for the organisation associated with CCI, support Carroll's CSR pyramid perspective; the organisation's primary responsibility is to fulfil its economic responsibility (Carroll, 1991; Silawi & Tilt, 2016). Business benefits include enhancing corporate reputation, creating a positive relationship with specific stakeholder groups, and gaining/maintaining the organisation's social licence to operate (Arli & Cadeaux, 2014; Hess et al., 2002; Lev et al., 2010; Silawi & Tilt, 2016). Internal benefits such as increasing employee morale, motivation, commitment and performance, can also flow from CCI initiatives (Arli & Cadeaux, 2014; Branco & Rodrigues, 2008; Tuffrey, 2013). According to Yekini (2012:14), organisations benefit the most from the reputational advantage derived from CCI, because an organisation's reputation is established in new and foreign markets before relationships are forged with communities (Moon & Muthuri, 2006).

As discussed in the previous sections, CSR and related initiatives can create a competitive advantage for organisations (Porter & Kramer, 2002; Yekini, 2012), which leads to increased economic growth (Godfrey, 2005). However, when investigating the relationship between firm performance and CCID in the United Kingdom (UK), the results were inconclusive (Yekini et al., 2017:12), which is similar to the CSR and corporate philanthropy research (see sections 2.4 and 2.5.1 – see, for example, Cahan et al., 2016; De Klerk & De Villiers, 2012; Gautier & Pache, 2013:358; Godfrey & Hatch, 2007; Wang et al., 2008).

2.5.3 Specific CCID research

Several studies on CSR reporting examine the disclosure of CSR as a whole (Cahan et al., 2016; De Klerk & De Villiers, 2012; De Villiers & Alexander, 2014; Dhaliwal et al., 2011), whereas other CSR reporting studies specifically discuss the CCI or CCID component as part of the CSR study (Baskin, 2006; Branco & Rodrigues, 2008; Cowen et al., 1987; Dawkins & Ngunjiri, 2008; Epstein & Freedman, 1994; Hossain et al., 2015; Patten, 1995). The first specific CCID study, namely that of Campbell et al. (2006), was followed by the studies of Adams et al. (2016), Arli and Cadeaux (2014), Soobaroyen and Mahadeo (2016), Yekini et al. (2017), Yekini et al. (2015), and Yekini and Jallow (2012). A summary of the key literature reviewed in this chapter in relation to CSR, CCI and CCID is presented in tables 2.1 and 2.2 below.

Table 2.1: Key CCID and CSR literature

Background information on CCI	CCID/CSR reporting quality	Developing country insights
Arli and Cadeaux (2014)	Adams et al. (2016)	Baskin (2006)
Bowen et al. (2010)	Arli and Cadeaux (2014)	Belal and Momin (2009)
Moon and Muthuri (2006)	Diouf and Boiral (2017)	Belal et al. (2013)
Muthuri et al. (2012)	Maas and Liket (2010)	Silawi and Tilt (2016)
Rehbein and Schuler (2015)	Porter and Kramer (2006)	Soobaroyen and Mahadeo (2016)
Silawi and Tilt (2016)	Sitkin (2013)	Visser (2008)
Uyan-Atay (2010)	Van der Ahee and Schulschenk (2013)	

Table 2.2 presents a summary of the recent CCID literature. As indicated, earlier CCID research primarily included quantitative research techniques, and the majority of these studies were conducted in developed countries, with the exception of Soobaroyen and Mahadeo's (2016) research. A discussion of the CCID literature follows the summary presented in table 2.2.

Table 2.2: Previous specific CCID literature

Authors	Focus	Methodology	Location
Campbell et al. (2006)	Cross-sectional CCID effects	Quantitative	UK
Yekini and Jallow (2012)	CCI a true measure or signal of CSR	Quantitative	UK
Arli and Cadeaux (2014)	Drivers of CCI and impact measurement challenges	Qualitative	Australia
Yekini et al. (2015)	Impact of board independence on the quality of CCID	Quantitative	UK
Adams et al. (2016)	Evolution of social investment disclosures following global integrated reporting approaches	Qualitative	Australia
Soobaroyen and Mahadeo (2016)	Analysis of changes in CCID	Mixed-methods	Mauritius
Yekini et al. (2017)	Impact of community expectations on CCID	Quantitative	UK

Early CSR research indicates that CCID respond to company size and industry type, although the response to industry type does not follow any apparent pattern (Cowen et al., 1987). According to Patten (1995), CCID have been lower in volume than environmental and employee-related disclosures. As part of a CSR reporting study, Epstein and Freedman (1994:106) found that 71% of the investors in their survey required CCID in the annual report. Furthermore, half of these respondents also indicated that the CCI information should be audited (Epstein & Freedman, 1994). In later CCID research, a positive correlation was found between firm size and the volume of CCID (Yekini et al., 2017:12).

CCID are positively associated with public profile (Campbell et al., 2006) , and provide consistent evidence compared to other voluntary disclosure practices. Once again, the emphasis is on the strategic nature of voluntary disclosure practices (Deegan et al., 2000). In a similar vein, Branco and Rodrigues (2008:686) reported that organisations with higher visibility displayed greater concern for improving their corporate image through social responsibility disclosures, both in annual reports and on corporate webpages. In addition, according to Branco and Rodrigues (2008:699), CCI activities and disclosures were more prominent in sectors with a high visibility among consumers.

Another factor that plays a role in the extent and variety of CSR reporting is industry membership (Campbell et al., 2006; Cowen et al., 1987; Hackston & Milne, 1996). Hackston and Milne (1996:81) and Cowen et al. (1987:113) suggested that "consumer-orientated companies" are expected to show greater concern for community responsibility. Campbell et al. (2006:96) tested this contention and found that CCID are positively associated with high public profile companies, even though the narrative analysis concluded there was no apparent difference between the content types of high and low public profile companies (Campbell et al., 2006:107). Similar to CSR and CCID research, industry type also plays a role in corporate philanthropy activities (Amato & Amato, 2007; Seifert et al., 2003). In an investigation of US companies, Amato and Amato (2007:236) found that the companies' industry affiliation explained 22% of the total variation in corporate giving.[13] The similarity of corporate giving in industry types is based on the fact that these companies experience similar social and environmental conditions (Seifert et al., 2003).

Public profile is measured on the basis of "company proximity to end user" (Campbell et al., 2006:99). In support of the findings of Campbell et al. (2006), Yekini and Jallow (2012:22) found that companies that are exposed to public criticism based on their proximity to the local community, present more (quantity) CCID in their annual reports compared to lower public profile companies. However, no significant relationship was reported between quality of CCID and their industry classification (Yekini & Jallow, 2012). Yekini and Jallow (2012:22) concluded that "although companies with high public profile disclose more community information, such disclosures are characterised by mere general statements of company policy rather than specific achievement". In addition, Branco and Rodrigues (2008:699) reported that Portuguese-listed sectors with a high visibility among consumers had a greater concern for CCI and related disclosures.

[13] Where the explanation of 22% is considered large and is statistically significant at 95% (Amato & Amato, 2007:235).

Similarly, Campbell et al. (2006:104) argued that high public profile companies are more likely to be targeted by the media and lobby groups and exposed to criticism from the general public. Yekini and Jallow (2012:14) classified consumer goods, consumer services, healthcare, financials and telecommunications as high public profile companies. According to Campbell et al. (2006), these industries[14] regularly interact with consumers in their local communities. Low public profile companies are in the basic materials, industrials, oil and gas, and technology industries, because their proximity to the end user is unknown (Yekini & Jallow, 2012:14).

In the earlier literature, company size was identified as a factor affecting CSR disclosures (Adams, Hill & Roberts, 1998; Campbell et al., 2006; Cowen et al., 1987; Gray, Kouhy & Lavers, 1995a; Hackston & Milne, 1996; Trotman & Bradley, 1981). The larger the company is, the greater the number of CSR disclosures expected, since larger companies tend to experience more pressure from society (Cowen et al., 1987; Trotman & Bradley, 1981). According to Brammer and Millington (2004), the higher level of corporate giving among large firms relates to the fact that society expects more, because it is possible for larger firms to give more. Accordingly, larger firms are more likely to be involved in CCI activities (Uyan-Atay, 2010:4) and present more CCID than their smaller counterparts.

In accordance with work on CSR and related company age (Gray, Kouhy & Lavers, 1995b; Hackston & Milne, 1996; Roberts, 1992:608), an entity's listing age is positively associated with CCID (Yekini et al., 2017:13). Firms with a longer listing age are more likely to have developed a clear strategy for corporate communications and are therefore more likely to present disclosures on CCI (Yekini et al., 2017:6).

A qualitative study by Adams et al. (2016) examined the social investment disclosures of companies that participated in the IIRC pilot/UNGC involvement projects, as well as companies that did not participate in these projects. They found that all of the companies that were investigated changed the way their social investment activities were reported over the five-year period, from 2009 to 2013 (Adams et al., 2016). All the social investment disclosures increased over the reporting period, and it can therefore be concluded that the reporting changes identified are not driven by

[14] Both these studies, Campbell at al. (2006) and Yekini and Jallow (2012), were conducted in the UK.

participation in the IIRC pilot or UNGC involvement projects (Adams et al., 2016). This finding agrees with the study by Soobaroyen and Mahadeo (2016), which argued that CCID in Mauritius are driven by the local social, political and economic factors, and not only by the voluntary international guidance.

Although the studies of Adams et al. (2016) and Soobaroyen and Mahadeo (2016) were conducted in different countries (Australia and Mauritius, respectively), their findings support the fact that CCID are currently prepared at the discretion of corporate managers, which is discussed in section 1.4, chapter 1. This possibly suggests that CCID is driven by factors other than mandated or voluntary regulatory initiatives, or it might show that the current reporting guidance is insufficient for reporting on CCI activities.

2.5.4 CCID quality

Campbell et al. (2006) used volumetric, word count and frequency-based content analysis techniques to analyse CCID, and argued that a company with a large number of CCID has greater capacity to perform more strongly in this field, and also to provide disclosures of a higher quality. However, Yekini and Jallow (2012) found that the majority of CCID consisted merely of general statements, which did not reflect quality disclosures. Similarly, Sitkin (2013:323) argued that the trend in CSR reporting is, “to offer qualitative descriptions of what companies do without trying to quantify the broader consequences”.

It has been found that CCID initiatives are primarily input based (i.e. cash, gifts in kind, staff time and management costs), where time and money spent are reported on, as opposed to being output based, where the impact an initiative has on a community is disclosed (Muthuri, 2007:187; Porter & Kramer, 2006). To determine whether CCI creates sustainable value for communities, the CCI impact should be measured (Owen, Swift & Hunt, 2001). It is possible that because of stakeholder and institutional pressures, the demand for more detailed disclosures of the impact on society resulting from corporate philanthropic activities will be required (Maas & Liket, 2010:448).

Challenges in measuring the social impact of CCI include a lack of interest and the time and resource availability of the organisation (Arli & Cadeaux, 2014). The lack of consensus on how and what to measure, and the metrics used to measure the social impact of CCI, have also proven problematic when comparing the CCI projects and results of companies, because of the lack of standardisation (Arli & Cadeaux, 2014:177). Adams et al. (2016) similarly found that many social investment disclosures only present the practical challenges experienced in measuring and communicating project outcomes and value creation, while none of the companies in their study reported on social investment outcomes. This suggests it is either too difficult to report on social investment value creation or that the integrated report is not more effective than other reporting alternatives in guiding reporting on social value creation (Adams et al., 2016).

However, in a positive light, CCID of a higher quality are presented when an organisation has more non-executive directors – hence organisations with higher board independence are more likely to present quality CCID (Yekini et al., 2015). This finding not only provides insights into the quality of CCID, but also emphasises the roles and responsibilities accorded to non-executive directors in relation to CCI matters (see chapter 4, and section 5.4.2.2(b), chapter 5).

Regarding CCID presentation formats, studies have shown that CSR disclosures tend to be superficial, because of the leveraging of the visual impact of photographs (Caron & Turcotte, 2009). However, Justesen and Mouritsen (2009:988) argued that visual aids in annual reports, are not window dressing but provide organisations with a mechanism to enact the company's activities. Similarly, according to Davidson (2007), photographs have the ability to communicate accountability. Norton (2012) suggested that truthful photographs do exist within CSR reporting, but a small number of photographs can be validated owing to the absence of caption information or photo credit. Without this level of transparency, visual reporting suggests the risk of CSR reports being doubted (Norton, 2012) (see section 7.3.3, chapter 7).

2.6 SUMMARY AND CONCLUSION

This chapter reviewed the literature supporting CCID. The aim of the chapter was to position CCID within the broader CSR, social accounting and sustainability concepts. Since CCID is an element of CSR, the broader context was therefore discussed in order to gain a comprehensive view of CCID research. The academic development of social accounting research was discussed, which provides the context in which CCID is established. The fact that organisations have an obligation to society, which extends beyond the organisation's economic interests, created the setting for this study.

In an attempt to explain CSR, Godfrey and Hatch (2007:87) stated that "scholars have struggled to achieve a clear paradigm, let alone a common language to guide the conversation". Despite the criticism, the confusion and challenges surrounding social accounting matters continue to be widely researched. The term "social accounting" remains the most generic term, which is often referred to with terms such as "social reporting/disclosure", "social and environmental accounting", "sustainability accounting", "CSR", "social", "environmental and ethical disclosures", and the related synonyms for the terms listed (Gray et al., 2014:3). Regarding the aforementioned variety of terms used, which encompass a range of company activities from environmental elements to employee considerations and charitable giving, it is postulated that the different types of social disclosures cannot be treated as a comprehensive unit, because each type has its own distinctive features and requirements (Epstein & Freedman, 1994:96; Gray, 2002:693). Although corporate philanthropy is becoming more strategic (Maas & Liket, 2010), in essence, CCI is different from the other elements of CSR, because of its distinct altruistic motives (Yekini et al., 2017; Yekini et al., 2015). The limited CCID-specific literature draws from the related CCI, CSR and corporate philanthropy research.

Carroll's (1979; 1991) definition of CSR was adopted in this study. CSR comprises the economic, legal, ethical and discretionary expectations which society has of an organisation (Carroll, 1979:500; 1991:283). Visser (2008) emphasised the importance of the discretionary/philanthropic responsibility in developing countries, because it is from this responsibility that CCI emanates. The research relating to the corporate philanthropy literature presents an element of CCI. However, by using only charitable/philanthropic giving, the definition of CCI is narrowed down, which provides a misleading picture of the overall nature of CCI (Lakin & Scheubel, 2010; Yekini, 2012). From corporate philanthropy, CCI and CSR research, the motivation to present CCID mainly stems from the argument of being socially responsible or obtaining increased benefits (Adams, 2002; Branco & Rodrigues, 2008; Carroll & Shabana, 2010; Fig, 2005; Hossain et al., 2015; Lev et al., 2010; Silawi & Tilt, 2016).

Several studies on CSR reporting examine the disclosure of CSR as a whole (Cahan et al., 2016; De Klerk & De Villiers, 2012; De Villiers & Alexander, 2014; Dhaliwal et al., 2011), while others specifically discuss the CCI or CCID component as part of the CSR study (Baskin, 2006; Branco & Rodrigues, 2008; Cowen et al., 1987; Dawkins & Ngunjiri, 2008; Epstein & Freedman, 1994; Hossain et al., 2015; Patten, 1995). CCID research by Adams et al. (2016), Arli and Cadeaux (2014), Campbell et al. (2006), Soobaroyen and Mahadeo (2016), Yekini et al. (2017), Yekini et al. (2015) and Yekini and Jallow (2012) was examined. The majority of the CCID research is quantitative in that empirical relationships and associations were examined, while qualitative research on CCID includes the work of Adams et al. (2016) and Arli and Cadeaux (2014).

The research indicates that larger companies (Uyan-Atay, 2010; Yekini et al., 2017) and those with a higher visibility are expected to present more CCID (Branco & Rodrigues, 2008; Campbell et al., 2006; Yekini & Jallow, 2012). Yekini and Jallow (2012) concluded that high public profile companies disclose more CCID, but found these to be of poor quality. The CCID quality concerns identified mainly relate to the lack of impact and value creation disclosures, which is also associated with inconsistent measurement approaches (Adams et al., 2016; Arli & Cadeaux, 2014; Muthuri, 2007; Porter & Kramer, 2006). Despite standardisation efforts, inconsistency in reporting hinders disclosure quality and the credibility of sustainability reporting (Dingwerth & Eichinger, 2010; Diouf & Boiral, 2017; Hahn & Kühnen, 2013).

Furthermore, the extant literature emphasised the importance of including stakeholder expectations in CSR reporting (Diouf & Boiral, 2017; O'Dwyer & Owen, 2005; Owen, 2008; Parker, 2005; Unerman, 2000), but there is a paucity of research on those who directly use the sustainability reports (Belal & Roberts, 2010; Diouf & Boiral, 2017; Haque & Islam, 2015; O’Dwyer et al., 2005). One of the aims of this study was to contribute to this debate – by not only interviewing corporate managers responsible for CCID, but also interviewing CCI specialists and users in order to identify CCID items and to understand CCI reporting in South Africa. See section 2.5 above for the literature review relating to CCID, and section 5.4.2.2, chapter 5, on how the opinions of CCI experts were incorporated into the study's research methodology.

This chapter served as the research preparation stage for this study, in an effort to improve the understanding of CCI reporting and the origins of social disclosures. CCID are a distinct component of social accounting/CSR reporting because they relate to the actual interaction between the organisation and the community in which organisations operate (Campbell et al., 2006; Silawi & Tilt, 2016). The next chapter discusses the influence of heightened social matters in the South African context, and the regulatory requirements governing reporting and disclosure issues in the country.

CHAPTER 3

LITERATURE REVIEW: THE SOUTH AFRICAN CONTEXT

3.1 INTRODUCTION

This chapter deals with specific aspects of CCI in the South African context. The literature review in chapter 2 focused on the social, sustainable accounting and CSR concepts, as well as the literature dealing with the CCID notion, thus providing a comprehensive overview. This chapter elaborates on CCID research in the South African context, which, as indicated in chapter 1, endeavours to answer the first research question, namely to determine the current state of best practice CCI reporting in South Africa (section 1.5).

This chapter commences with a discussion on the regulatory requirements in South Africa, focusing on regulatory initiatives such as the BEE requirements (section 3.2.1). This is followed by a description of the disclosure requirements laid down by the King Code for corporate governance and the IIRF (section 3.2.2). Further to this, a discussion of CCID in South Africa is presented, where CSI is explained in order to gain further insight into the country's current reporting practices (section 3.3). The chapter concludes with a discussion of the various reporting initiatives, elaborating on the available CCI reporting guidance (section 3.4). This chapter presents the fundamentals for the research preparation, which were applied to construct the initial CCID framework (see chapter 6).

Companies that are more likely to experience pressure and claims from society tend to generate more frequent and a greater volume of CCID (Campbell et al., 2006:112). South Africa provides a unique setting for studying CCID, as several attempts have been made to redress the country's historical imbalances through regulatory initiatives such as BEE and the disclosure requirements of the King Codes for corporate governance (see sections 1.2 and 3.2). Although there has been a fair amount of research on the levels of voluntary disclosures made by South African companies (De Klerk & De Villiers, 2012; De Villiers & Van Staden, 2006; Jordaan et al., 2018; Marcia et al., 2015; Skinner & Mersham, 2008; Soobaroyen & Ntim, 2013; Van der Ahee & Schulschenk, 2013), CCID have been neglected.

According to Joyner and Payne (2002:298), organisations and the society in which they operate are mutually dependent. Organisations affect society, which in turn, influences organisations. The African concept of *Ubuntu* supports this notion of interdependency. *Ubuntu* means humanity to others and implies that there should be a common purpose to all human endeavour, which is based on service to humanity (IODSA, 2016a:5; Ubuntu, 2016). In this context, business is viewed as a citizen of the country, who in turn is expected to act responsibly towards environmental, social and governance (ESG) issues (IODSA, 2009:11). The importance of CCI activities and the disclosure thereof are underscored by high inequality levels in South Africa (see section 1.2). Social imbalances (high levels of poverty, inequality and unemployment) influence the political and economic pillars of the country (World Bank, 2018). These challenges highlight the necessity for South African business organisations to act responsibly when reporting on their CCI activities.

3.2 REGULATORY REQUIREMENTS

The major social challenges that South Africa faces provide a unique setting for research into social accounting disclosures, because the country exhibits developing and developed country characteristics. When conducting research on CCID in the country, it is essential to understand the related CCID practices and the evolution of regulatory requirements in South Africa.

As highlighted in section 1.2, chapter 1, high income inequality and unemployment rates, combined with poor social service sectors, indicate the characteristics of a developing country. In contrast to these emerging economy attributes, South Africa is regarded as a leader in corporate governance, and accounting and reporting standards (De Villiers & Maroun, 2018:6; IIRC, 2014). South Africa's reporting and auditing standards have consistently been ranked in the top 30, according to the World Economic Forum's global competitiveness reports (2015 to 2018), which would suggest a strong financial reporting environment (Schwab & Sali-i-Martín, 2015:327; World Economic Forum, 2018). Mechanisms of corporate social accountability and reporting in developing countries are often heavily influenced by Western-based practices, such as the GRI and similar corporate governance codes (Soobaroyen & Mahadeo, 2016). South Africa, with its unique social setting and First World reporting standards, was deemed an ideal country for the development of a CCID framework.

3.2.1 South African regulatory initiatives

This section explains the regulatory initiatives the government introduced to support CCI. In light of South Africa's unique social setting, the government requires organisations to consider empowerment and socio-economic development as part of conducting their operations in the country. The approach the government adopted to transform the South African economy, given the historical inequalities, was to legislate CSR through the promulgation of the Broad-Based Black Economic Empowerment Act 53 of 2003 (BEE[15] Act) (South Africa, 2004:516; Stirling et al., 2016). Government initiatives, policies and incentives make it difficult for entities to operate in South Africa if they are not BEE compliant (Ferreira & De Villiers, 2011:25; Van der Merwe & Ferreira, 2014). Since June 2016, companies listed on the JSE have been required to report and disclose their BEE status to the BEE Commission (JSE, 2017). Even before this reporting requirement, most JSE-listed companies indicated their commitment to BEE and did have a BEE score (KPMG, 2010:15). The motivation for being BEE compliant stems from either being socially responsible to correct the inequalities of the past, or to enjoy the benefits of being BEE compliant (Ferreira & De Villiers, 2011; Van der Merwe & Ferreira, 2014). Benefits associated with BEE compliance include preferential treatment accorded to BEE-compliant entities through the granting of government contracts and licences (Ferreira & De Villiers, 2011; Jack & Harris, 2007). Based on the fact that historical inequalities are being rectified through BEE, it is regarded as a form of CSR (Stirling et al., 2016:516; Van der Merwe & Ferreira, 2014:547).

The BEE score comprises five elements[16] as prescribed by the generic BEE scorecard (South Africa, 2013b). These are ownership, management control, skills development,

[15] The terms "broad-based black economic empowerment" and "black economic empowerment" both have the abbreviation "BEE".

[16] Since October 2013, the BEE score has comprised five elements, but prior to this had seven elements (South Africa, 2007). The previous seven elements are similar to the current five elements, and are effectively combined and united to form the current five elements as required by the amended BEE Codes of Good Practice of 2013.

enterprise and supplier development and socio-economic development (South Africa, 2013b). Socio-economic development comprises 5% of the total BEE score. Although socio-economic development is not the most significant component of the BEE scorecard, it still carries weight and merits recognition. The socio-economic element comprises monetary or non-monetary contributions, and the objective is to facilitate income-generating activities for the beneficiaries[17] of the socio-economic contribution (South Africa, 2013b). The beneficiaries of socio-economic development should at least be represented by 75% black individuals who benefit from the contribution. Socio-economic development contributions include grant contributions, direct costs, related overhead costs, the supply of goods or services, the provision of developmental capital, training or mentoring and payments to third parties to perform socio-economic activities on behalf of the organisation. According to this element, companies are expected to contribute 1% of their annual net profit after tax (NPAT) to socio-economic development (South Africa, 2013b). The socio-economic development element directly represents the entity's CCID and responsibility to black previously disadvantaged communities in South Africa (Van der Merwe & Ferreira, 2014).

Another element contributing to the BEE score is enterprise and supplier development, which represents 40% of the total BEE score. This element includes the preferential procurement category, which refers to the purchasing of goods and obtaining services from preferred suppliers. The preferential procurement category influences the wider continuum of corporations operating in South Africa, and not only the organisations directly doing business with the government or enterprises that require government licences. A preferred supplier is measured by its BEE status (Jack & Harris, 2007). The higher the BEE score, the higher the BEE status of the company will be. The code includes procurement recognition levels for BEE-compliant entities. Eight contributor levels determine an organisation's BEE status. For example, a company with a BEE score of less than 40 points is classified as a non-compliant contributor, which results in a zero percent (0%) procurement recognition level (South Africa, 2013b). A company with a BEE score of 100 points or more, according to the generic scorecard,

[17] The term "beneficiaries" is used in the Codes of Good Practice of the BEE Act, which is understood as the recipients of the socioeconomic contributions made in terms of the BEE Act by business organisations (South Africa, 2013b).

is classified as a level 1 contributor, and has a procurement recognition level of 135%. Hence, even if a company does not directly do business with the government, the preferential procurement category influences other business operations in South Africa to increase their procurement expenditure from BEE-compliant suppliers – in order to influence the company's own BEE score. This is known as the "trickledown effect", which is the driver of BEE and creates true BEE commitment (Jack & Harris, 2007; Van der Merwe & Ferreira, 2014). The preferential procurement category is crucial because it makes BEE a reality in South Africa (Ferreira & De Villiers, 2011; Van der Merwe & Ferreira, 2014).

In addition to the BEE scorecard, the metals and mining sector is required to develop, implement and submit social and labour plans (SLPs). The SLP is one of the documents required when a company applies for mining rights. The Mining Charter of 2010, provides funding targets and guidelines – which are mandatory for these sectors (South Africa, 2017a). The Mining Charter formally legislates stakeholder engagement, and community engagement is listed as both a material issue and a risk (South Africa, 2017a; Stirling et al., 2016). Similar to BEE regulation, the SLP is another approach followed by the government to address South Africa's historical imbalances. The SLP also includes an organisation's approach to human resource development, employment equity, procurement, housing, local economic development, and the management of downscaling and retrenchments, all of which influence the mining community. According to Stirling et al. (2016), together with the social imperatives of South Africa and the BEE-driven legislation, CSR and CCI are a business imperative in South Africa.

3.2.2 Disclosure requirements

The reporting and disclosure practices in South Africa that communicate the status of CCID, also demonstrate an aspect of a company's commitment to the BEE regulatory initiatives. Disclosures are regarded as a powerful legitimising instrument, because they retain the principle of accountability (Gray, 2006a; Gray et al., 2014). Accountability is regarded a moral action for all types of organisations, because the purpose of reporting is to fulfil the organisation's accountability obligations (Monfardini et al., 2013).

This section covers the disclosure requirements set out in the King Code of Governance Principles and the IIRF.

3.2.2.1 The King Code of Governance Principles

The King Code of Governance Principles was conceived when South Africa was experiencing significant domestic and international pressures (Rossouw et al., 2002:298). At a domestic level, the transformation needs of society and the African Renaissance[18] merited attention (Rossouw et al., 2002:298; Vale & Maseko, 1998). International pressure from institutional investors (Arnold & Hammond, 1994) and meeting the required level of international standards were evident in a country striving for increased global participation (Rossouw et al., 2002:299). The need to meet global standards without neglecting domestic challenges played a vital role in the search for an optimal regulatory regime for conducting and reporting on operations in South Africa (De Villiers et al., 2014; Rossouw et al., 2002). The IODSA formed a committee in 1994, with former Judge of the Supreme Court of South Africa, Professor M.E. King, as the chairperson. This committee then issued the first King Report on Corporate Governance, referred to as King Code I. The report emphasises the role and relevance of an organisation’s stakeholders (King, 2015).

King Code I came into effect during a period of significant political reform in South Africa, with the advent of a multiparty democracy. Business organisations in South Africa were increasingly called to account for their non-financial performance (De Villiers et al., 2014:1047). In this changing social milieu, the existence of economic and social operations was questioned. The country’s social and economic impacts were fragmented, and even the right of business organisations to operate and make a profit was questioned (De Villiers & Van Staden, 2006:769). Company core values, decision-making processes and social disclosures were questioned by the new government (see section 1.2, chapter 1) (De Villiers & Van Staden, 2006:769). King Code I extended beyond the preparation of financial reporting – with the aim of

[18] The African Renaissance relates to the revival of unity in Africa as a continent, with the aim of overcoming the challenges the continent faces (Rossouw et al., 2002; Vale & Maseko, 1998). The aim of the African Renaissance is to develop Africa’s geopolitical position in the world, by building on the continent’s political, economic, social and cultural pillars (Gumede, 2006). According to Gumede (2006), the advent of democracy in South Africa was a ”Renaissance” of beliefs that would spread through Africa.

considering the interests of a wide range of stakeholders such as employees, customers and local communities. It was internationally recognised as the most comprehensive publication providing an inclusive approach to corporate governance (IODSA, 2015).

In 2002, the second King report was issued – with the focus on sustainability and risk management. During the development of King Code II, pressures from society and increased sustainability developments further emphasised the need to report on the organisation as a whole. The Code asserts that all the elements of the organisation are integrated and cannot be viewed in isolation. Financial reporting remains essential, but exclusive financial reporting is not adequate (King, 2015). The foundation for integrated reporting was laid in this report. King Code II also recommended that firms adhere to the international AA1000 Standards (AccountAbility) and the Global Sullivan Principles. These documents focus on CSR and sustainability issues (AccountAbility, 2008; The Sullivan Principles, 1999). The Global Sullivan Principles state that business should work with the communities and government in which they operate, by specifically focusing on the cultural, educational, economic and social wellbeing of those communities (The Sullivan Principles, 1999:3).

King Code III came into effect on 1 March 2010. The reason for King Code III was that the current changing disclosure practices were still inadequate, and a significant change towards the principles of integrated reporting was required (IODSA, 2009). A fundamental shift in the way directors and companies operate and present themselves was imperative (De Villiers et al., 2014; IODSA, 2009). The Code promotes an intertwined reporting concept based on sustainability, strategy and governance practices. Integrated thinking is the foundation of integrated reporting, and companies are urged to integrate their reporting practices on risks and opportunities through consideration of financial and sustainability impacts.

The JSE included the King Code III principles in its listing requirements. Since 1 March 2010, all JSE-listed companies have been required to prepare an integrated report, which includes both financial and sustainability performance information, or these companies need to disclose why they have failed to do so (SAICA, 2010). King Code III follows a “comply or explain” approach to the principles of integrated reporting. The South African integrated report integrates social, environmental, governance and economic matters to enable stakeholders to make a more informed assessment of a company's economic value. The interdependency between the natural environment, and global economic and socio-political subsystems is acknowledged (De Villiers et al., 2014). Owing to South Africa's history of social injustice, social transformation and the redress of inequality are regarded as sustainable development matters (IODSA, 2009:13).

King Code IV became effective for the financial years starting on or after 1 April 2017 (IODSA, 2016b:38). It has the same fundamentals, philosophy and content as King Code III (IODSA, 2016b), but is more concise with a principles and outcomes-based approach. The main purpose of King Code IV is to simplify and clarify King III, together with the IIRF capitals (see section 3.2.2.2) (IODSA, 2016a). The role of the ethics and social committee[19] was included in King IV, as well as a shift in focus from a "apply *or* explain" approach to a "apply *and* explain" approach (IODSA, 2016b).

King Code III required the inclusion of a broad variety of stakeholders and is more inclusive than the IIRF (De Villiers et al., 2014:1048), and King Code IV (see IODSA, 2016:17). King Code III defines stakeholders as "[a]ny group affected by and affecting the company's operations" (IODSA, 2009:60), while King Code IV defines stakeholders in accordance with the definition in the IIRF (2013b:33), namely "those groups or individuals that can reasonably be expected to be significantly affected by an organization's business activities, outputs or outcomes, or whose actions can reasonably be expected to significantly affect the ability of the organization to create value over time" (IIRC, 2013b:33; IODSA, 2016b:17).

Furthermore, King Code IV classifies stakeholders as internal or external. Internal stakeholders are those groups directly affiliated to the organisation, such as management, employees, shareholders and the organisation's governing body. External stakeholders include civil society organisations, government, trade unions, customers and consumers. King Code IV states that the interests of material stakeholders should be considered as part of their stakeholder inclusivity approach. This confirms that internal stakeholders are always deemed material, while external

[19] Section 72 of the South African Companies Act 71 of 2008 requires that a social and ethics committee – a sub-committee to the Board – should govern the social, ethical and governance matters of the company (South Africa, 2009).

stakeholders may be material, but not necessarily in all situations (IODSA, 2016b:17). The notion of “stakeholder inclusivity” agrees with the previous King Code III (also see section 4.6, chapter 4).

In King III and IV, sustainable development is defined as the manner in which companies conduct operations to meet existing needs without compromising the ability of future generations to meet their needs (IODSA, 2009:61; 2016:18). King III emphasises the importance of sustainability by explicitly stating that even the leadership of a company should embrace the notion of integrated sustainability reporting practices (IODSA, 2009:11). The sustainability notion includes ESG matters (IODSA, 2009:61).

Since the inclusion of King Code III in the JSE listings requirements, the extent of social and relationship capital disclosures has increased significantly in the integrated reports of South African companies (Setia et al., 2015; Solomon & Maroun, 2012). According to Setia et al. (2015:417), regulation is therefore more effective than voluntary disclosure systems, in order to provide stakeholders with a balanced view of an organisation. The mandatory requirements emphasise the importance of CSR in South Africa. However, no specific guidelines or set standards on disclosing such matters are available. The way in which reports are prepared in order to disclose accurate and complete information on CSR (which includes CCID) for decision makers and stakeholders, is in fact left to the discretion of corporate managers (Ackers & Eccles, 2015; Horn et al., 2018:1).

King IV requires that organisations should incorporate the integrated reporting requirements of the IIRC, which are discussed in the next section.

3.2.2.2 The International Integrated Reporting Framework

The IIRC’s Framework was issued in December 2013, and in April 2014 the JSE adopted it for integrated reporting (IIRC, 2014). The purpose of the IIRF is to improve the quality of information available to providers of financial capital, present a cohesive approach to corporate reporting, enhance accountability of the capitals and create value over time. The capitals mentioned include financial, manufacturing, intellectual, human, social and relationship, and natural capitals (IIRC, 2013b:2).

The IIRF endeavours to enhance the accountability and stewardship of social and relationship capital (IIRC, 2013b:2), and recommends that companies exercise their judgement in identifying material matters and how these matters are presented, including measurement and disclosure methods (IIRC, 2013b:7). Social investment reporting on performance and measurement matters illustrates long-term commitment to the community and underscores the importance of the relationship between the company and community in which it operates (KPMG, 2013a:23). The IIRF defines social and relationship capital as “the relationships within and between communities, groups of stakeholders and other networks, and the ability to share information to enhance individual and collective well-being” (IIRC, 2013b:12). The IIRF requires disclosure on the nature and quality of the organisation’s relationship with its main stakeholders, and how it accounts for and responds to their needs (IIRC, 2013b:34). The main focus of all disclosures relates to the effect of the organisation’s ability to create value over time (IIRC, 2013b:31). Value creation revolves around the notion of value created for the organisation by, firstly, providing financial returns to the providers of financial capital, and, secondly, endeavouring to create value for other stakeholders and society (IIRC, 2013b:10).

The next section discusses the literature that is specifically applicable to CCID in South Africa.

3.3 CCID IN SOUTH AFRICA

Social risks place South African companies in a different position compared to other global companies (KPMG, 2016:5). According to Stirling et al. (2016:514), in South Africa, a combination of powerful business organisations and the state of the country’s developmental needs increases the expectation imposed on companies by the government and society to play a role in socio-economic development. This can be seen in the 2016 sustainability report of Kumba Iron Ore (a mining company), which stated that “the challenging social context in South Africa highlights the need for sustainable community development as both a commercial and social imperative” (Kumba Iron Ore Limited, 2016:48). Fraser (2017:1) postulated that CSI has become “almost obligatory” for South African organisations opting for a perfect BEE scorecard.

In South Africa, companies, consultancy firms, academia, the media and regulatory bodies (Altron Group, 2013; Alves, 2009; Baskin, 2006; Bwalya, 2012; Fig, 2005; Fraser, 2017; Hinson & Ndhlovu, 2011; IODSA, 2009; Kumba Iron Ore Limited, 2016; Skinner & Mersham, 2008; Trialogue, 2016) commonly use the term "CSI". CSI goes beyond philanthropic/charitable activities and includes issues that have a direct impact on society, such as community, educational and healthcare projects (Baskin 2006:35). The Altron Group's (2013:3) approach to community disclosure is as follows:

> CSI encompasses projects that are external to the business or outward looking projects undertaken for the purpose of uplifting communities in general and those which have a strong developmental approach. It also includes projects with a focus on social, developmental or community aspects where the investment is not primarily driven as a marketing initiative.

Skinner (1994:74) argued that CSI is the "conscience of the capitalist" system, because CSI funding is perceived to redress capitalist exploitation. Skinner (1994:74) defined community disclosure as the "funds that are voluntarily made available by the organisation for socio-economic upliftment programmes, taking into consideration the major concern, interests and needs of stakeholders of the society in which business operates". While no direct evidence is available to validate the number of charitable organisations South African corporations support, in a commercial report, Trialogue (2018:26) suggested that total CSI expenditure for 2018 was estimated at R9.7 billion.[20]

Fig (2005:601) contends that business organisations in South Africa generally favour the concept "corporate social investment" and "corporate citizenship" compared to the widely used notion of "corporate social responsibility". These preferred terms have no link with moral or ethical responsibilities, history, legacy or justice claims (Fig, 2005; Skinner & Mersham, 2008). According to Skinner and Mersham (2008:240), CSI is a South African development, and they advance the same reasons as Fig (2005), such as historical considerations, for the use of the term. While these authors use the terms "CSI" and "CSR" interchangeably, at a practical level, South African firms define CSI as a subcomponent of CSR (CSI Solutions, 2016), because CSR refers to the organisation's overall responsibility to the business environment in which it conducts

[20] Using the 2018 average exchange rate of R13.255064 for USD$1, estimated corporate social investment spending amounts to $731 million USD (OFX, 2019).

its operations (Skinner & Mersham, 2008:240). CSI endeavours to uplift communities so that their quality of life is generally improved and safeguarded (CSI Solutions, 2016). Vodacom Group Limited (2013:2) refers to its CSI matters as part of its community initiatives. According to Trialogue's CSI handbook, major CSI expenditure includes expenses such as education, social and community development, health, food security and agriculture, and entrepreneurial support (Trialogue, 2015:45).

Apart from the use of CSI as a subset or synonym for CSR, the concept of CCID used in this study represents a company's commitment to community engagement, support and charitable giving activities (Patten, 1995:280). This includes the disclosure of activities generally relating to a company's involvement in the education, health and arts of the communities in which they operate (see section 2.5, chapter 2) (Campbell et al., 2006; Cowen et al., 1987; Patten, 1995; Soobaroyen & Mahadeo, 2016; Yekini et al., 2017).

Developing countries compared to developed countries, are more inclined to report extensively on CSI activities (Baskin, 2006; Visser, 2008:477). During 2006, the frequency and level of community disclosures in South Africa was significantly higher than Fortune Global 100 companies, which demonstrates the country's strong focus on social matters, and the effect of regulatory measures such as BEE (Dawkins & Ngunjiri, 2008:296;297). Similarly, Hinson and Ndhlovu (2011:341) argued that CSI has emerged following South African historical development, and that regulatory initiatives and industry charters primarily drive it.

Patten (1990) concluded that investors use social responsibility disclosures as part of their investment decision-making process.[21] The focus of his study was on US companies that had conducted business operations in South Africa and who had agreed to the Sullivan Principles.[22] Another study examining the response of institutional investors to ESG matters in South Africa suggested that there is increasing awareness of these issues[23] (Van der Ahee & Schulschenk, 2013). An expected increased return on investment remains central to the investment decision-making process. According to Van der Ahee and Schulschenk (2013), 83% of investors that

[21] The Patten (1990) study focused on 37 companies that had agreed to the Sullivan Principles during 1977.
[22] See section 3.2 in this chapter for background and more information on the Sullivan Principles.
[23] Van der Ahee and Schulschenk's (2013) study examined the period 2007 to 2012.

include ESG matters in their decision-making process expect an increased return on their investment. The lack of an acceptable measurement tool is deemed the most critical factor when not including ESG matters in decision-making processes. Van der Ahee and Schulschenk (2013) indicated that investors believe that corporate reputation and compliance with regulation are the main reasons for companies reporting on ESG matters. Improved corporate reputation put forward as a reason for ESG disclosures is aligned with impression management techniques adopted in corporate social disclosures (Cho et al., 2012; Diouf & Boiral, 2017; Sandberg & Holmlund, 2015). Van der Ahee and Schulschenk (2013) suggested that future research should include the design of benchmarks or industry standards to guide investors in their decision-making process.

HIV disclosures form part of CSR reporting, and can form part of CCID, depending on the structure of the activities (i.e. benefiting employees and/or communities). In South Africa, the HIV disclosures presented are far from satisfactory (Soobaroyen & Ntim, 2013). Similarly, as in the discussion on CSR in section 2.4, HIV disclosures were described as incomplete and lacking in comparability and transparency when compared to the GRI benchmark guidelines. This is despite the fact that the GRI guidelines on HIV reporting were specifically tested and developed in South Africa.

CSI or CCI has value in South Africa because it inherently relates to the redress of historical imbalances, which could help to overcome the challenges the country faces. An investigation of the related reporting and disclosure practices would be invaluable in providing a meaningful account of these activities. The reporting initiatives and available voluntary guidance applicable to South African business organisations are discussed in the next section.

3.4 REPORTING INITIATIVES

Several corporate consultancy firms in South Africa assist companies with their CCI projects and the reporting thereof. Examples include Tshikululu Social Investments, CSI Solutions and Trialogue, which focus specifically on corporate social investments, while not excluding the work of accounting and auditing firms. These agencies assist companies with the development of their social investment strategies, project reviews and project assessments, all in order to provide quality social investments (CSI

Solutions, 2016; Trialogue, 2015; Tshikululu, 2016). Third-party social performance ratings are provided by a JSE initiative and global auditing firms (JSE, 2014; KPMG, 2013b). Reporting initiatives such as the GRI, the International Organization for Standardization (ISO) 26000 and the Code for Responsible Investing in South Africa (CRISA), were included in this study.

In South Africa, the JSE launched the Socially Responsible Investment (SRI) index in 2004. This annual index assesses how companies incorporate sustainability practices into their business activities. Some of the SRI measurement criteria specify that a company should have sustainable community relations. Social impact assessments relating to community upliftment or development projects are listed as desirable reporting indicators (JSE, 2014). The social indicator relating to community relations suggests that companies should be involved in community upliftment and development. The company should report on the monetary value of charitable giving, project details, involvement of employees in community projects and the social impact assessment (JSE, 2014). HIV projects are also closely associated with community upliftment and development. These index ratings are determined on the basis of available CSR disclosures that are presented to provide additional information to investors. Dhaliwal et al. (2011) argued that social performance ratings alone are unlikely to provide investors with adequate information for assessing a firm's overall CSR performance. Investors should also consider voluntary CSR disclosures because they provide additional information to investors that is not included in the compilation of the CSR performance ratings (Dhaliwal et al., 2011).

Trialogue,[24] a consultancy firm that focuses solely on CSR issues in South Africa, performs an annual survey on CSI and sustainability practices in the country. In its 2014 survey, it reported that challenges in community reporting included difficulties with measurement, reporting on negative findings, budget and time constraints. The limited space allocated to CSI in the integrated and sustainability report can be overcome with online resources, but stakeholder needs should be directed to alternative sources (Trialogue, 2015:159). Active participants such as the CSI consultancy firms listed, indicate the level of importance, commitment and involvement

[24] Trialogue offers an end-to-end CSI consultancy process, which includes CSI strategy development, project implementation, programme benchmarking, the development of monitoring and evaluation frameworks, and reporting on CSI.

of South African companies to community projects and their local communities. CCI is a necessity for organisations operating within South Africa.

The CRISA has been available since 1 February 2012. This Code attempts to provide sustainable development guidance to institutional investors and service providers. It contains five principles, the first of which explicitly mentions the inclusion of ESG matters in the investment decision-making process. The Code proposes that foreign investment entities apply CRISA to the extent of their investment in South African companies. The purpose of CRISA is to form part of an effective governance framework in South Africa (IODSA, 2011).

The GRI assists preparers with the presentation of sustainability reports. The focus is on the reporting of material matters – thereby creating more relevant, credible and user-friendly reports (GRI, 2013:3). The KPMG 2015 CSR survey, indicated that the GRI is the most commonly used reporting framework for CSR reporting, both internationally and in South Africa (KPMG, 2016:7).

According to Adams (2004:751), although the GRI makes suggestions about stakeholder involvement and transparent communication, it does not provide any further guidance. Research conducted by the GRI, found that only 11% of the organisations, who claimed GRI compliance, reported fully on the GRI-G3 community-related indicators (GRI, 2008). Michelon, Pilonato and Ricceri (2015) found that, on average, organisations using standalone CSR reports and GRI reporting guidance do not provide CSR reports of higher quality, and they suggested that CSR reporting practices are used to enhance the organisation's perceived accountability. Diouf and Boiral (2017) found that most (80%) stakeholders believed that the GRI indicators lack clarity on quantitative and qualitative information. They contended that the disclosure indicators are too general and vague, while the organisations furthermore select, modify or adapt disclosure indicators according to their need to enhance their image (Diouf & Boiral, 2017).

Although the GRI[25] has played a role in making noteworthy progress in the sustainability reporting field, social disclosures are still a work in progress and require

[25] Diouf and Boiral (2017) argued that although the GRI G4 (2013) version has made a number of improvements from previous versions, the description of the principles concerning the quality of information is still too general and not specific enough.

continuous improvement (Diouf & Boiral, 2017; Gond & Herrbach, 2006). Despite the criticism of GRI, the reporting framework is widely regarded as the leading sustainability reporting method worldwide (De Villiers & Maroun, 2018; Gray, 2010a; Mahoney et al., 2013; Michelon et al., 2015). The GRI G4 indicators relating to CCID were included in the development of the initial CCID framework (see chapter 6).

3.5 SUMMARY AND CONCLUSION

This chapter provided a literature review of CCID in the South African context. The regulatory requirements that have an impact on CCI reporting in South Africa were explained. These regulatory requirements included the South African regulatory initiative, BEE, as well as the disclosure requirements relating to CCI. Country-specific CCID research was discussed, which together with the regulatory requirements, presented a discourse of CSI development in South Africa. The voluntary and available reporting initiatives that affect CCI reporting were explained because they informed the development of the initial CCID framework and provided the context of CCID in South Africa. The chapter outlined CCID in South Africa, which, together with research stage 1, determined the current state of best practice CCI reporting in South Africa (see research questions in section 1.5).

This chapter demonstrated how the increased awareness of social issues has had a profound impact on the development of regulatory and reporting initiatives in South Africa. This country provides a unique setting for the investigation of CCID because it is similar to a developed country with sophisticated reporting practices, but is still struggling with real social problems that are prevalent in developing countries. The discussion of the regulatory and reporting initiatives, together with the specific CCID research, provided insight into CCI reporting in South Africa, which supported the need for the development of a CCID framework.

In South Africa, BEE is a reality for business organisations. BEE regulation enforces socio-economic development, and from June 2016, it became mandatory for JSE-listed entities to report and disclose their BEE status (JSE, 2017). South African companies generally refer to CCI as CSI, which can also be included in the scope of socio-economic development. Some authors contend that regulatory measures and initiatives are the drivers of social disclosures in South Africa (Dawkins & Ngunjiri, 2008; Hinson & Ndhlovu, 2011; Van der Ahee & Schulschenk, 2013).

The King Code and the IIRF require social disclosures that include CCID. However, these reporting requirements provide no further guidance on the nature and extent of CCID. In South Africa, there is a need for a standard or reporting benchmark to guide social matters (Van der Ahee & Schulschenk, 2013). The reporting initiatives that are available from CSI consultants, the JSE-SRI, the GRI and CRISA to guide CCI reporting in South Africa, were discussed in this chapter. These initiatives were considered and included in the development of the initial CCID framework (see sections 5.4.2.1 and 6.2.2).

Chapter 4 focuses on the theoretical perspectives used in the CSR and CCID literature, as well as the theoretical underpinnings relating to this research study.

CHAPTER 4

THEORETICAL PERSPECTIVES

4.1 INTRODUCTION

In chapter 2 of this study the CCID research was reviewed, while chapter 3 provided a discussion of the South African regulatory requirements and country-specific matters relating to CCID. These chapters provided the backdrop for the need to develop a CCID framework. This chapter contributes to the research objective of this study by providing the theoretical perspectives within which CCID practices are examined, and elaborates on the theoretical perspectives supporting the development of a CCID framework (section 1.5). When constructing a disclosure index, theoretical perspectives assist with the identification of reporting items (Coy & Dixon, 2004:85).

To gain an understanding of the theoretical perspectives applied within the CCID spectrum, this chapter commences with a background section focusing on the theories applicable to previous CCID studies (section 4.2). The two theories directly applicable to this study, namely legitimacy theory and stakeholder theory, are discussed in sections 4.3 and 4.4. Each of the aforementioned sections elaborates on the theoretical perspectives, their application and the need to understand CCID, which guided the development of the CCID framework. The chapter concludes with a justification for the chosen theories considered as part of this research (section 4.5).

4.2 THEORETICAL PERSPECTIVES BASED ON THE CCID LITERATURE

This section presents the theoretical perspectives applicable to the CCID literature – with a focus on the application of legitimacy and stakeholder theories. Previous researchers used a variety of theoretical perspectives to study CCID. These theories include legitimacy theory (Campbell et al., 2006), stakeholder and public choice theory (Arli & Cadeaux, 2014), stakeholder theory (Yekini et al., 2015), media agenda-setting theory (Yekini et al., 2017), signalling theory (Yekini & Jallow, 2012) and a neo-pluralist perspective, which is a combination of legitimacy and stakeholder theory with insights from classical political economy theory (Soobaroyen & Mahadeo, 2016). According to

Muthuri (2007:180), most CCID research is grounded in classical economy theory and stakeholder theory. The application of legitimacy and stakeholder theory insights pertaining to previous CCID studies are discussed below.

Campbell et al. (2006:100) used legitimacy theory to explain community disclosures in different sectors. They argued that specific categories of disclosures, such as community disclosures, are expected to respond to the general vulnerability of a company or the sector over a period of time. Legitimacy theory has the ability to "explain and predict the relationship between specific structural vulnerability and responsive disclosure" (Campbell et al., 2006:100). Furthermore, Campbell et al. (2006:100) stated that legitimacy restoring or maintaining disclosures occurs even in the absence of a specific legitimacy-threatening events in organisations. This finding emphasises the importance of legitimacy theory in explaining CCID.

Yekini et al. (2015) adopted a stakeholder approach to investigate the association between board independence and the quality of CCID. They emphasised the importance of understanding the factors affecting disclosures from the perspective of each stakeholder group (Yekini et al., 2015:252). A dynamic stakeholder identification framework, as developed by Mitchell, Agle and Wood (1997), was applied to manage the relationship with the relevant stakeholder groups. This framework identified seven stakeholder typologies. The seven typologies are dormant, discretionary, demanding, dominant, dangerous, dependent and definitive stakeholders. Depending on the context at a given point in time, a stakeholder group can move between the typologies.

Stakeholder claims on the firm are a function of three main attributes, namely power, legitimacy and urgency (Mitchell et al., 1997). Depending on the relationship of these attributes with the firm, the different stakeholder groups' salience may be high, moderate or low. A definite stakeholder possesses all three attributes, while a dormant stakeholder only possesses power, and has no urgency or legitimate relationship with the firm. According to Yekini et al. (2015:253), a typical dependent stakeholder, such as a community group that "possesses the attributes of legitimacy and urgency can easily become a definite stakeholder after acquiring the attribute of power via the acquisition of government support if current conditions dictate to do so".

Soobaroyen and Mahadeo (2016) adopted a unique neo-pluralist perspective to study CCID in a developing country context of Mauritius, where a CSR levy was introduced. The CSR levy requires companies to contribute 2% of their profits[26] to approved CSR funds or activities (Soobaroyen & Mahadeo, 2016). The adopted neo-pluralist perspective extends the work of Gray et al. (1995b), which includes legitimacy theory, stakeholder theory and classical political economy theory.

Political economy theory explains how business organisations and power differences work within the same social system (Gray, Owen & Adams, 2010). When studying the relationships within a social system, the belief is that power, politics and society are inseparable (Deegan, 2009; Guthrie & Parker, 1990). Classical political economy theory acknowledges class interests, structural conflicts and inequalities in society (Gray, Owen & Adams, 1996a:47), while the bourgeois perspective ignores these elements and accepts the world as pluralistic, with no class structures and social tensions (Deegan, 2009:365). Legitimacy theory and stakeholder theory derive from the bourgeois branch of political economy theory (Deegan, 2009:323; Gray et al., 1996a; Soobaroyen & Mahadeo, 2016:455) and are deemed overlapping and contributory rather than competing theories (Gray et al., 1995b). Legitimacy theory is based on the implied social contract between business and society as a whole, whereas stakeholder theory refers to the “contracts” between the organisation and different stakeholder groups, and recognises that some groups are more powerful than others (Altman, 2000; Mitchell et al., 1997).

For the purposes of this study, classical political economy theory was not used to inform the development of the CCID framework, as the development of the CCID framework follows a stakeholder inclusive approach, which is applicable to the South African context (see section 3.2). Classical political economy theory focuses on structural conflicts and tends to perceive accounting disclosures as being a mechanism to maintain power and wealth, especially for those who have access to

[26] During 2009, the Ministry of Finance and Economic Development of the Republic of Mauritius legislated, through the Income Tax Act of 2009, that profitable companies in Mauritius were required to allocate 2% of their book profits to approved CSR activities. From January 2012, the CSR levy guidelines were amended to include the provision that the 2% CSR levy was based on “profits chargeable to income tax”, compared to book profits (Mauritius, 2016).

scarce resources, while undermining the position of those groups with no control over scarce resources (Deegan, 2009:322).

Other theories such as signalling theory (Yekini & Jallow, 2012) and institutional theory (Marquis, Glynn & Davis, 2007:926) have been applied in the CCID literature. Signalling theory was applied to underscore the genuineness of CCID in relation to CSR disclosures (Yekini & Jallow, 2012:10), as it essentially relates to reducing information asymmetry between two groups (Spence, 2002), whereas institutional theory was adopted to explain how institutional pressures at community level are believed to influence corporate social action[27] (Marquis et al., 2007:926). Institutional theory posits that organisations in the same field tend to become similar in their practices (DiMaggio & Powell, 1983). It is a complementary theory to legitimacy and stakeholder theory, as it is adopted to explain how organisations respond to institutional expectations and pressures[28] (Deegan, 2009:358). To best achieve the research objective of this study, the focus was grounded on legitimacy and stakeholder theory perspectives as these underpinnings were deemed to best inform the development of the CCID framework (see section 4.5 for justification for the chosen theories). Signalling theory and institutional theory do not revolve around the concern of meeting stakeholder requirements when developing a CCID framework.

Corporate social disclosures are deemed to be a structure that can influence the organisation's relationships with relevant stakeholder groups (Deegan, 2009:321), and this structure can communicate social, political and economic meanings to a wide target audience (Guthrie & Parker, 1990:166). CCID explicitly address the relationship between the organisation and the communities in which it operates. The CCID literature emphasises the relationships between organisations, society and/or relevant stakeholders, and the close connection between the use of stakeholder theory and legitimacy theory is confirmed.

[27] Corporate social action is defined as "behaviors and practices that extend beyond immediate profit maximization goals and are intended to increase social benefits or mitigate social problems for constituencies external to the firm" (Marquis et al., 2007:926).

[28] Legitimacy theory, stakeholder theory and institutional theory are often referred to as systems-orientated theories (Gray et al., 1996a:45). Systems-orientated perspectives assume that an entity is influenced by, and at the same time has an impact on, the society in which it operates.

The next two sections discuss stakeholder theory (4.3) and legitimacy theory (4.4) in order to gain a cohesive understanding of the motivation to undertake CCID.

4.3 STAKEHOLDER THEORY

According to Freeman (1984:31), without the continued support of stakeholders, business would cease to exist. The intention of stakeholder theory is to move beyond the main responsibility of corporate managers – that is, not only to maximise shareholder wealth, but also to meet the needs and requirements of other non-financial stakeholders (Mitchell et al., 1997:855). Stakeholder theory assumes that stakeholders can influence entity decisions (Deegan, 2009:323; Gray et al., 1995b:53). Each stakeholder group will have its own expectations about the reporting entity, as well as the right to obtain information on how the reporting entity's activities impact the group (Deegan, 2009:346; Guthrie et al., 2004:283). Owing to the ability of stakeholder theory to properly define and explain the position of an organisation's stakeholders, including the community stakeholder group, it was deemed a relevant conceptual framework for this study because it emphasises the importance of social disclosures and CCID in particular.

In order to understand the application of stakeholder theory to this study, it is necessary to define the concept of stakeholders and discuss the various elements of this theory. Stakeholders are defined in the next subsection, and this is followed by a discussion of the two branches – the ethical (or normative) branch and the managerial (or positive) branch of stakeholder theory.

4.3.1 Defining stakeholders

Freeman (1984:46) defines stakeholders as "any group or individual who can affect or is affected by the achievement of the organization's objectives". Stakeholders can include individuals, groups, organisations, institutions, societies and the environment (ISO, 2010; Mitchell et al., 1997:855). Stakeholders are those groups that have or claim, ownership, rights or interests in an organisation and its previous, current or future activities (Clarkson, 1995:106; Donaldson & Preston, 1995:67). Mitchell et al. (1997:854) concurred with Freeman (1984), stating that stakeholders provide the organisation with the required stamp of approval to operate in society.

Clarkson (1995) argued that stakeholders can be classified as primary or secondary. Primary stakeholders include customers, suppliers, employees, investors and shareholders, and the relationship with these stakeholders is essential for the organisation to continue as a going concern (Clarkson, 1995:106,107). Stakeholder groups that provide infrastructure, such as governments and communities, can be primary or secondary stakeholders. When regulatory requirements influence the organisation, these groups are regarded as primary stakeholders. Secondary stakeholder groups are not essential for the firm’s survival, but can affect or be affected by the firm (Clarkson, 1995:107). Secondary stakeholders include the media, political groups, trade associations and communities (Clarkson, 1995:107). Clarkson’s (1995) idea of an organisation’s stakeholders is illustrated in figure 4.1.

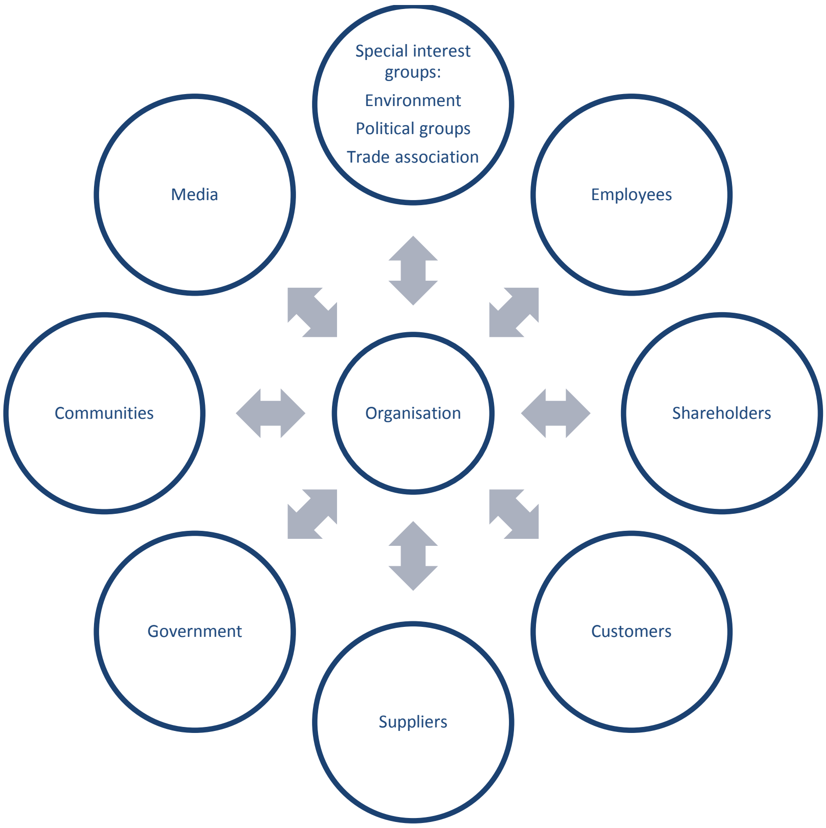


Figure 4.1: Corporate stakeholders (adapted from Clarkson, 1995:106,107)

Similar to the classification of primary and secondary stakeholder groups, Thompson and Driver (2005:57) concluded that the main internal stakeholders are investors, employees, suppliers, customers and debt providers. External stakeholders include political groups, the environment, government, communities and trade associations. The following five main stakeholder groups have been identified in the corporate philanthropy literature: shareholders, consumers, employees, local communities and governments (Gautier & Pache, 2013:357).

As discussed in section 4.2, Yekini et al. (2015:253) posited that although communities are considered to be a secondary stakeholder group, in an economic context they can become a more prominent stakeholder group (Boehm, 2005; Clarkson, 1995). Further to this, when a normative stakeholder approach is adopted, community groups are deemed equal to the primary stakeholder groups (Donaldson & Preston, 1995; Freeman & Phillips, 2002). The argument is derived from philosophical and ethical concepts such as freedom, voluntary action, moral ethics and justice and fairness – all of which relate to the ethical branch of stakeholder theory, which is discussed in section 4.3.2.

According to Muthuri et al. (2012:17), "corporations do not operate in closed systems but in open systems where the community stakeholders are becoming more aware and conscious of their rights and where they expect companies to embrace expanded social responsibilities and to contribute to complex societal problems in a particular governance arena". The community as a stakeholder group merits consideration, as the focus of the study relates to CCID. However, the community stakeholder group is not necessarily the only stakeholder group with an interest in CCID. A study in Turkey reported that the pressures from investors/shareholders and community groups positively influenced an organisation's decision to engage in CCI activities (Uyan-Atay, 2010:177). Tilt (1994:59) argued that society and public interest groups are among the main users and influencers of corporate social disclosures, while in the same way governments and political considerations can influence corporate social disclosures (Adams & Whelan, 2009:136; Gautier & Pache, 2015:360). The CCI literature defines the community as a key stakeholder group, and thus argues that CCI is crucial in managing stakeholder relations (Bowen, 2007; Stirling et al., 2016:514).

Greenwood (2001:37) contends that defining the "community" as a stakeholder group is more complicated when compared to other stakeholder groups, because it is particularly difficult to aggregate communal interests (Phillips & Reichart, 2000). The community group is not homogeneous and may include several stakeholder groups, with varying interests (Greenwood, 2001:37;38), making the community group difficult to identify as a specific stakeholder group (ISO, 2010).

Owing to increased awareness of CSR, organisations are no longer concerned about increasing shareholder wealth; they also recognise the magnitude of considering wider stakeholder groups (Silawi & Tilt, 2016:15). Another argument that underscores the need to consider stakeholder groups, is that in the 21st century, the term "community" has a new and broader meaning because of technological advancements. "Community" indicates groups of people who share similar interests, and with the advent of technology these groups may not even live in the same country. However, according to Nemeth (2016), the cohesive nature of technology enables them to attend to sectors of society that matter to them. Non-executive directors in large companies are considered community leaders as they retain the responsibility of representing the interests of their community at board level (Mitchell et al., 1997; Yekini et al., 2015). The role of non-executive directors is to sustain the relationships between the corporation, local community and government (Mitchell et al., 1997:877).

Stakeholder theory plays a fundamental part in explaining the relationship between corporations and their local communities (Wood & Jones, 1995:244). Yekini et al. (2017) found that organisations' CCID are related to community expectations, which indicates that CCID are presented strategically in order to respond to community expectations. This finding accordingly considers the community as a noteworthy stakeholder group of the organisation. Arli and Cadeaux (2014) suggested that stakeholder theory supports CCI activities and reporting. The nature, availability and quality of information presented determine the involvement of communities in the social and environmental reporting practices of an organisation (Greenwood, 2001:41). Stakeholder engagement is deemed fundamental in understanding relationships between organisations and the different dimensions of society (Wood & Jones, 1995:231), which is regarded as one of the cornerstones of social accounting

(O'Dwyer, 2005). Gray et al. (2014:117) argued that despite reporting initiatives (e.g. ISO 26000), current stakeholder engagement processes continue to lack robustness.

From the above, it is suggested that stakeholder classification and prominence differ (Boehm, 2005; Clarkson, 1995; Freeman & Phillips, 2002; Gautier & Pache, 2013; Mitchell et al., 1997; Thompson & Driver, 2005; Yekini et al., 2015). Hasnas (1998:26) concluded that stakeholder theory is a confusing term, because it refers to both an "empirical theory of management" as well as a "normative theory of business ethics", and yet both considerations are applied with the same overarching label. Although both relate to stakeholder relationships, the fundamentals are somewhat conflicting.

4.3.2 Ethical or normative branch

The ethical or normative stakeholder theory branch suggests that every stakeholder has the right to fair treatment. The organisation should manage the business for the benefit of all stakeholders (Deegan, 2009:347; Hasnas, 1998:32). According to Deegan (2009:348), this branch has an ethical foundation and is driven by the firm's "responsibility" to all stakeholders and not by the information "demanded" from them. In the same way, Hasnas (1998:32), suggests that organisations should treat all stakeholders equally, and when a conflict in stakeholder interest arises, organisations should attempt to maintain the optimal balance among stakeholders.

According to Donaldson and Preston (1995:67), "each group of stakeholders merits consideration for its own sake", which is contrary to the argument of furthering the interests of shareholders of the company only. This broader ethical perspective entails that all stakeholders have the same minimum right to be provided with the organisation's information (Deegan, 2009:348). The same right relates to primary and secondary stakeholders, regardless of the use of information or whether the stakeholders can influence the organisation's ability to continue as a going concern.

Donaldson and Preston (1995:74) identified three main attributes of stakeholder theory, namely descriptive, instrumental and normative. Figure 4.2 illustrates the three attributes, each of which can be viewed as a functional unit nestling within different layers (Donaldson & Preston, 1995:74). The outer layer is the descriptive attribute, where stakeholder theory explains and presents observed relationships. The second inner layer is the instrumental attribute, which represents the predictive value of the theory and improves accuracy of the descriptive (outer) use. The inner base of the theory is normative, providing a moral value – which is the fundamental core of the stakeholder perspective. Donaldson and Preston (1995:74) argued that all stakeholders have intrinsic value, thus sustaining an ethical perspective. The need to develop a CCID framework in this study was supported by the normative application of stakeholder theory, as it is regarded as the right thing to do and applies concepts such as individual or group "rights" (Donaldson & Preston, 1995:74).

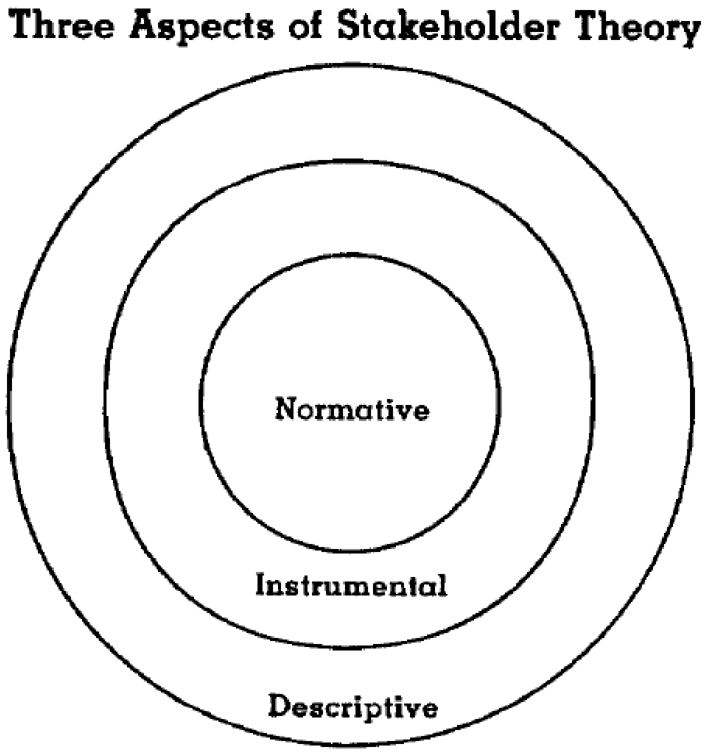


Figure 4.2: The attributes of stakeholder theory (Donaldson & Preston, 1995:74)

As part of the ethical branch of stakeholder theory, Gray et al. (1996a) considered the stakeholder's right to information to be part of the "accountability" model (Deegan, 2009). Gray et al. (1996a:38) defined accountability as "the duty to provide an account (by no means necessarily a financial account) or reckoning of those actions for which one is held responsible". The accountability model is twofold in the sense that it assumes responsibility for certain actions as well as being accountable for those actions. Adams (2004:732) posits that, in addition to a financial account, stakeholders demand an ethical, social and environmental account of the organisation's actions.

An organisation is accountable to society to report on its corporate, social and environmental responsibility matters (Barnett, 2007; Hossain et al., 2015; Meehan, Meehan & Richards, 2006; Shen, 2004; Van der Voort et al., 2009), while the development, implementation and maintenance of CSR policies, practices and frameworks are an ongoing process (Whitehouse, 2006:294). According to Fernandez-Feijoo et al. (2013:53), "each company determines the required level of transparency, which depends on the pressure of specific stakeholders in the industry". Arguably, the relationship between an organisation and its stakeholders depends on how accountable the organisation considers itself to be or how accountable the organisation would like to be perceived.

According to Gray et al. (1991:15), the purpose of corporate social disclosure is to inform society about the extent to which the organisation's actions have fulfilled the responsibilities imposed upon it. The ethical branch ensures that organisations are accountable for their community-related/CCI actions or inactions. These actions should be disclosed to stakeholders, as they have an equal right to the information about the organisation's activities. Hence, corporate managers provide stakeholders with an account of their CCI activities, in order to discharge the accountability requirement imposed upon them.

Critics of this ethical or normative perspective on stakeholder theory argue that management have resource and time constraints that tend to limit the practical usefulness of this branch (Yekini et al., 2015:252). Donaldson and Preston (1995) argued that one of the shortcomings of the ethical branch is that this perspective cannot be validated or confirmed by empirical observations – particularly when there is a need to describe or predict organisational behaviour. The fundamental nature of normative theories contains a critique relating to how organisations should act with regard to their stakeholders, but it does not accurately reflect how managers relate to their stakeholders in practice (Deegan, 2009:349). Another key limitation of this branch – as suggested by managerial or positivist theorists – is that the normative branch contains a certain level of subjectivity when determining the optimal balance among competing stakeholder interests. This is so because the ethical/normative branch is based mainly on moral decision making (Humber, 2002). The normative branch views the corporate-stakeholder relationship as one of responsibility and accountability

(Gray et al., 1996; Gray et al., 2010), where the organisation has an accountability duty to all stakeholders (Gray et al., 2010).

Conversely, the managerial branch argues that the ranking of stakeholders should be considered (Mitchell et al., 1997; Yekini et al., 2015), as it provides structure and guidance for corporate managers to satisfy the needs of the most powerful stakeholders (Deegan, 2009; Haque, Deegan & Inglis, 2011).

The managerial or positive branch of stakeholder theory is discussed in the next section.

4.3.3 Managerial or positive branch

The managerial or positive branch argues that the organisation will only consider the expectations of powerful stakeholders (Deegan, 2009). Powerful stakeholders are those who control access to resources and can therefore influence the viability and success of the organisation (Deegan, 2009:351; Pfeffer & Salancik, 1978:2). Gray et al. (1996a:45) argued that the level of stakeholder importance to the organisation is directly related to the level of effort exerted in managing the stakeholder relationship. This perspective centres on the organisation because it uses information to manage relevant stakeholders. Stakeholders are managed or manipulated in order to gain approval or to distract censure (Gray et al., 1996:45).

According to Deegan (2009:351), power is "stakeholder-organisation" specific and organisations respond to the expectations of the most powerful stakeholders, as these stakeholders will withdraw their support if the organisation neglects its required social responsibilities (Freeman, 1984:31; Ullmann, 1985:552). Powerful stakeholders control scarce resources, with examples being access to finance and labour, the ability to manage legislation against the firm, access to influential media and access to influence the consumption of company goods or services (Deegan, 2009:351).

According to Roberts (1992), the degree and type of corporate social disclosures can be explained through the level of stakeholder power influencing the entity and its related information requirements. The managerial branch of stakeholder theory proposes a strategic approach to the management of company stakeholders, thereby providing guidance on improved organisational performance (Donaldson & Preston, 1995). To identify, classify and rank company stakeholders, Mitchell et al. (1997:874) constructed a framework in which the prominence of stakeholder groups is categorised as low, medium or high. The framework is built on three elements, namely the power to influence, consideration of the legitimacy of the relationship and the urgency of the stakeholder claim on the organisation.

The framework allows stakeholder groups to move on the continuum from dormant stakeholders to definite stakeholders. Dormant stakeholders have the power to influence, but there is no legitimate urgency. Because definite stakeholders own all three elements, their requirements require urgent attention from corporate stakeholders. Mitchell et al. (1997:868) contended that the dynamism and salience of stakeholder relationships change over time, because stakeholder attributes are a social construction and vary – they are not fixed or an objective reality.

Based on the stakeholder salience framework, stakeholders can be classified into the following seven categories (listed from highest to lowest salience groups): definitive stakeholder, dependent stakeholder, dangerous stakeholder, dominant stakeholder, demanding stakeholder, discretionary stakeholder and dormant stakeholder (Mitchell et al., 1997:874) (see figure 4.3 for an illustration of the stakeholder attributes and categories). As discussed in section 4.3.1, in an economic context, the community stakeholder group is regarded as a secondary stakeholder group (Clarkson, 1995:107). However, Yekini et al. (2015:253) argued that the community stakeholder group can easily become a definitive stakeholder group, owing to the increased pressure on CSR activities. The focus is on non-executive directors representing the community and legitimising their agenda on corporate boards, thereby facilitating CCID (Yekini et al., 2015:254). Figure 4.3 indicates the dynamism of the community stakeholder group in the Mitchell et al. (1997) stakeholder salience framework.

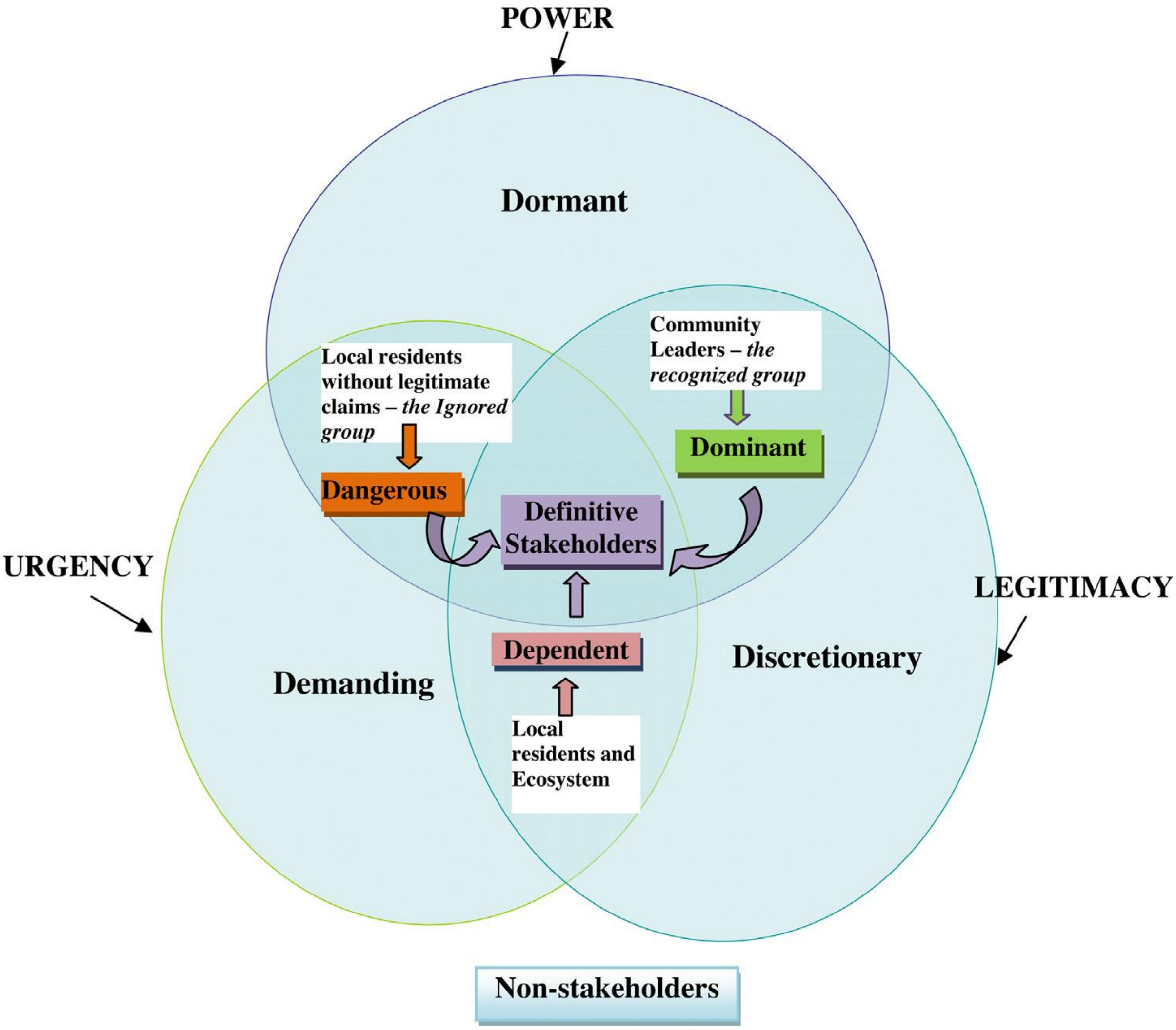


Figure 4.3: Stakeholder salience framework (Yekini et al., 2015:253), adapted from Mitchell et al. (1997:874)

Now that the different perspectives, dimensions and approaches to stakeholder theory have been considered, the next section focuses on the application of stakeholder theory in the study.

4.3.4 Application of stakeholder theory

According to Carroll (1991:43), "there is a natural fit between the idea of corporate social responsibility and an organization's stakeholders". The effect of stakeholder pressures is felt on CSR disclosures (Fernandez-Feijoo et al., 2013:53). Furthermore, annual reports are used to meet shareholder requirements and to satisfy the needs of other external stakeholders (Ullman 1985:554). Freeman (1984) posits that legal disputes, regulatory contests and loss of markets can be the consequence of neglecting stakeholder requirements.

However, Deegan (2009:354), believes that both the ethical and managerial branch can be found within a reporting entity, because of the idea that both branches and not a single branch of stakeholder theory drive management. The current study adopted the ethical or normative stakeholder theory perspective. The ability of stakeholder theory to define and explain the position of the community within the stakeholder system made it appropriate to underpin this study. The ethical branch of stakeholder theory, based on the notion of accountability, underscores the importance of disclosing information on/to this group of stakeholders, regardless of the corporate climate and demands imposed on organisations at a specific point in time.

Some ethical values may compete or be in conflict with the value systems of other related stakeholder groups (Chen & Roberts, 2010:653; Godfrey, 2005:779; ISO, 2010:17) – hence the need to examine the unique attributes of society. To fully understand CSR from a stakeholder theory perspective, it is necessary to identify the various stakeholder groups in society (Wood & Jones, 1995:241). Stirling et al. (2016) argue that the "society" concept in the CSR context is not fully developed – hence the need for a stakeholder approach when developing a CSR strategy. By understanding the various stakeholder expectations, experiences and evaluations, the relationship between society and organisations can be managed (Wood & Jones, 1995).

The ethical branch of stakeholder theory provides an appropriate perspective for understanding CCID and values the requirements of all the different stakeholder groups. With specific reference to the current study, the community is defined in extant literature as those groups located within the immediate vicinity of the organisation (Van der Laan Smith et al., 2005:124). There is thus an implied social contract between society and the organisation, as proposed by legitimacy theory, which is discussed in the next section.

4.4 LEGITIMACY THEORY

Legitimacy and stakeholder theories assume there is ongoing interaction between an organisation and society – hence social structures are created that help to maintain the relationships between organisations and society (Chen & Roberts, 2010; Gray et al., 1995a). While legitimacy theory focuses on the organisation's social contract with society as a whole (Hossain et al., 2015), stakeholder theory distinguishes between the different groups in society (Clarkson, 1995; Donaldson & Preston, 1995; Freeman, 1984; Mahadeo et al., 2011:160), and furthermore recognises that some stakeholder groups are more powerful than others (Gray et al., 1996a; Mitchell et al., 1997). Gray et al. (1995a) argued that both theories consider the social system, but from different perspectives. Legitimacy theory relates to the legitimisation process, while stakeholder theory considers the legitimisation strategy (Chen & Roberts, 2010).

When developing a CCID framework, it would be insufficient to only apply a stakeholder theory perspective, because stakeholder and legitimacy theory are overlapping and contributing theories (Gray et al., 1995b:67; Monfardini et al., 2013). According to Monfardini et al. (2013), legitimacy cannot be taken for granted once an entity reports on socially related matters, as some stakeholders can provide legitimacy, while it can be denied by others. Organisations should therefore understand which stakeholder needs should be adhered to first (Monfardini et al., 2013:62).

Legitimacy theory is defined in the next section.

4.4.1 Defining legitimacy theory

Legitimacy theory relies on the notion that there is a "social licence" to operate, which is directed by society (Deegan, 2009:325). Social expectations continuously change over time, which compels organisations to adapt to these norms and values (Deegan, 2009). Lindblom (1994) suggested that legitimacy is a dynamic concept, because as societal expectations change over time, legitimising disclosures also change. Joyner and Payne (2002:298) stated "a fundamental truth is that business cannot exist without society and that society cannot go forward without business".

Suchman (1995:574) defined legitimacy as "a generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions". Legitimacy is not possessed objectively, but is created subjectively (Suchman, 1995), and depends on a group's shared beliefs, because a differing individual belief would not cause the demise of the organisation.

Legitimacy is a complex notion (Monfardini et al., 2013:55) comprising different dimensions. Suchman (1995:571) distinguished the following three broad types of organisational legitimacy:

1) pragmatic legitimacy;
2) moral legitimacy; and
3) cognitive legitimacy.

Pragmatic legitimacy is based on the organisation's dependence on the most immediate stakeholder group to further its own self-interest (Suchman, 1995). Since this type of legitimacy is organisation centred and focuses on the immediate audience, it often refers to those stakeholder groups that control financial or critical resources. Mahadeo et al. (2011) argued that stakeholder theory and pragmatic legitimacy are closely intertwined. Under this type of legitimacy, constituents analyse the organisation's behaviour with respect to the direct consequences for themselves (Wood, 1991).

According to Suchman (1995:578-579), pragmatic legitimacy has three subsets, namely exchange, influence and dispositional legitimacy. Exchange legitimacy indicates that an organisation is supported on the basis of the perceived value it provides to the constituents. Influence legitimacy is based on the constituents' support, and is a result of the organisation being responsive to the needs and interests of the constituents. This is often the case if an organisation involves constituents in the policy-setting process or when an organisation adopts their standards. In this context, influence legitimacy may occur when the organisation deliberately incorporates stakeholder requirements in its CCID. Dispositional legitimacy occurs when the constituents support the organisation because they believe that its interests are aligned with theirs. In other words, they share the same values (Suchman, 1995:578).

Moral legitimacy as defined, follows an ethical and normative approach by promoting social welfare as defined by the stakeholder's socially constructed value system (Suchman, 1995:574). According to Mahadeo et al. (2011:172), the notion of moral legitimacy is based on the need to demonstrate an affiliation to social norms, beliefs and values. Moral legitimacy has four subsets, namely consequential, procedural, structural and personal legitimacy. Consequential legitimacy relates to the moral judgements of an organisation's outputs and is evaluated according to its accomplishments. In the context of CCID, an example of a moral evaluation would be the extent to which the CCID is consistent with the public interest. Procedural legitimacy refers to the moral evaluation of the procedures, which an organisation applies to achieve the socially valued outcomes. Structural legitimacy refers to the organisation's structures and signals its capacity to produce the desired outcomes. Personal legitimacy relates to the appeal of the organisation's leaders, and is based on the perception that an organisation's leaders can reorder and transcend organisational activities (Suchman, 1995:579-582).

Cognitive legitimacy, in contrast to pragmatic and moral legitimacy, goes beyond self-interest and evaluation because it is based on the mere acceptance of the organisation and is "taken-for-granted" (Suchman, 1996:583). This type of legitimacy is comprehensible, as the organisation can be understood on the basis of its institutionalised actions and order. The organisation is deemed an integral part of society, and its existence is considered inevitable. According to Suchman (1995:582–584), this type of legitimacy is the most powerful source of legitimacy identified to date.

Based on the above discussion of legitimacy theory, its dimensions appear to be similar to those of stakeholder theory. Tilling and Tilt (2010:59) concurred with Hybels' (1995:243) argument that an effective model of legitimacy theory should consider the relevant influences of stakeholders. Hybels (1995:244) mentioned four critical groups whose approval is required to enable the organisation to continue as a "going concern". The four groups include the state, media, public and financial community. Each of these groups controls resources that are significant for the organisation. The public group, as identified by Hybels (1995:244), includes consumers (patronage), the community (support) and employee-related matters.

Chen and Roberts (2010:653) regarded legitimacy theory as the overarching theory to meet social expectations and gain social approval, whereas stakeholder theory, together with institutional theory and resource dependence theory, supports the legitimacy theory notion. Tilling and Tilt (2010:59) contend that the focus of legitimacy theory changed from obtaining legitimacy with "society" to obtaining legitimacy with "stakeholders". In the same vein, Samkin, Allen and Wallace (2010:23) explained that "the extent of stakeholder support for an organisation determines its legitimacy."

In summary then, legitimacy theory "focuses on whether the value system of an organisation is congruent with the value system of society, and whether the objective of organisations is to meet social expectations. Legitimacy theory, however, does not specify how the congruency could be reached or how the actions should be formulated" (Chen & Roberts, 2010:652). Therefore, in order to be legitimate, managers apply legitimisation strategies to manage the expectations of society upon which legitimacy is bestowed (Yekini, 2012:35). According to Samkin and Schneider (2010), legitimacy management is dependent upon the communication between the reporting entity and its stakeholders, making it important to understand the relationship between society and the organisation. Owing to the focus of the current study on CCID, the society of interest would arguably be the community in which the organisation conducts its operations, because the community confers legitimacy on the organisation's community activities.

4.4.2 Application of legitimacy theory

According to Suchman (1995), companies may adopt legitimation strategies to manage their legitimacy with society, depending on whether they are trying to gain, maintain or repair legitimacy. Lindblom (1994) identified four strategies that an organisation seeking legitimacy may adopt. The strategies flow from her understanding that legitimacy is "a condition or status which exists when an entity's value system is congruent with the value system of the larger social system of which the entity is a part. When a disparity, actual or potential, exists between the two value systems, there is a threat to the entity's legitimacy" (Lindblom, 1994:2).

Lindblom's (1994) legitimation strategies for reporting organisations include the following:

1) To educate and inform stakeholders about the organisation's actual changes in performance and activities. This strategy is adopted in response to a performance shortcoming.
2) To change the perception of the stakeholders, without changing any actual activities. This approach is usually in response to a misunderstanding or

misperception by the stakeholders.

3) To manipulate the stakeholders' perception by deflecting their attention to other disclosures, instead of reporting on the issue of concern. This strategy includes the use of emotive symbols
4) To change the external expectation of its performance. This is usually in response to an unrealistic or incorrect expectation imposed on the organisation.

These strategies can be implemented individually or in combination in the organisation's social disclosures (Dowling & Pfeffer, 1975; Lindblom, 1994). Legitimation strategies can be proactive or reactive. Proactive strategies are adopted to prevent a legitimacy gap, while reactive strategies are affected when stakeholders are dissatisfied with the reporting entity's performance, and it is thus necessary to narrow the legitimacy gap (Lindblom, 1994).

Legitimacy theory provides a framework for understanding voluntary social disclosures (Deegan et al., 2002; Patten, 1995; Tilling & Tilt, 2010). The comprehension of social disclosures results in improved decision-making processes, which in turn, result in a society that understands how and why resources are allocated (Tilling & Tilt, 2010:77). Based on Lindblom's (1994) notion, Dawkins and Ngunjiri (2008:288) explained that CSR disclosures assist organisations to manage their legitimacy with society. The organisation can inform stakeholders about its social performance intentions and attempt to influence stakeholder perceptions and/or expectations. Hossain et al. (2015:288) argued that concern for community development arises from the perspective of social obligation, which is consistent with legitimacy theory principles.

A summary of legitimacy theory would suggest that voluntary disclosures are used to gain support from society or manage any legitimacy threats faced by a company. The voluntary disclosure of CSR information portrays an image of an organisation that is socially and environmentally responsible (Deegan et al., 2002). It has the ability to explain voluntary disclosures made by companies, whether in response to a past event, suspected malpractice, structural vulnerability or to control reputational risk (Campbell et al., 2006:100). Campbell et al. (2006:97) argued that CCID generally address a wide range of concerns, which are not of interest to a specific stakeholder group or groups, but rather to society as a whole. They thus suggested that legitimacy theory is an appropriate theoretical underpinning when studying CCID.

4.5 JUSTIFICATION FOR THE THEORIES UNDERPINNING THIS RESEARCH STUDY

Legitimacy theory and stakeholder theory influence and explain social accounting disclosures (Chen & Roberts, 2010). These theories are regarded as contributory and overlapping (Gray et al., 2014; Gray et al., 1995a). There is a dual responsibility on corporate managers because the organisation is morally obliged to fulfil its part of the social contract (legitimacy theory), and the community is regarded as a stakeholder of the organisation (stakeholder theory). Hence, according to Yekini (2012:64), the ongoing existence of the organisation depends on community support, both by retaining the “support” resources available to the organisation and as a stakeholder group.

When organisations engage in CCI activities, in order to obtain their social licence to operate from that community, they participate in community actions to legitimise their operations and their existence within the community. Chen and Roberts (2010) suggested that to obtain the required legitimising effect, community activities should meet the required level of expectation expressed by the community stakeholder groups. Accordingly, CCI activities may reflect the organisation’s accountability to the community stakeholder group or reflect a legitimisation process, or both (Yekini, 2012).

In terms of CSR, Thompson and Driver (2005:64) argued that the focus on shareholder power overshadows stakeholder interests. In South Africa, King Codes IV and III propose an inclusive stakeholder approach. This type of approach considers the legitimate requirements and demands of all stakeholders, with the aim of serving the best interests of the company (IODSA, 2009:11; 2016b), and in this way ensures equality among all stakeholders (IODSA, 2016b:25). However, the definition of stakeholders differs between King Codes III and IV (see section 3.2.2.1), because the definition used in King IV is aligned with the IIRF, providing an example of how CSR practices in developing countries are influenced by international guidance.

South Africa's historical events can be cited as an example of stakeholder dynamism (Mitchell et al., 1997:879). According to Mitchell et al. (1997), the ANC started as a stakeholder group with an urgent but not a legitimate claim. The party had no power in the context of the South African "apartheid" government and culture. According to the stakeholder salience framework, during the period preceding the 1950s, the ANC was classified as a latent, demanding stakeholder. However, by using its coercive power, the ANC moved into the dangerous stakeholder category. From the perspective of the South African apartheid government, the party was still not a definite stakeholder, because its claim was not legitimate at the time. It was only after acquiring legitimacy, together with its use of coercive power, that the party's salience increased as a dependent stakeholder. With its urgent legitimate claim, the attention of investors was fixed on multinational enterprises (MNEs) located in South Africa. Since 1977, the Sullivan Principles have monitored US companies operating in South Africa (Arnold & Hammond, 1994:114), and by 1990, an estimated $450 billion was disinvested by companies conducting business in South Africa (Arnold & Hammond, 1994:121). "With the powerful advocacy of these stakeholders, the ANC moved into the 'definitive' zone of the stakeholder attribute model for South African MNEs" (Mitchell et al., 1997:880).

In South Africa, the unequal distribution of wealth and power provides the underlying structure and historicity of the relationships between the different stakeholder groups and society at large. According to Tilt (1994), such inequalities are the source of conflicts between different social, political and economic classes. Hence "social accounting" is a reflection of social conflicts (Soobaroyen & Mahadeo, 2016).

4.6 SUMMARY AND CONCLUSION

This chapter provided the theoretical perspectives that informed the development of the CCID framework. The theoretical perspectives, stakeholder and legitimacy theory, were discussed in conjunction with the theoretical perspectives applied in previous CCID research. Several different theoretical perspectives were adopted to study CCID, with stakeholder and legitimacy theory the most frequently used.

Stakeholder and legitimacy theories provide a complementary perspective to study social disclosures as both these theories stem from the bourgeois branch of political economy theory (Deegan, 2009). Gray et al. (1996a:47) defined political economy as "the social, political and economic framework within which human life takes place". The bourgeois branch of political economy theory ignores the differences in power and other structural inequalities within society (Gray et al., 1995b:53). According to Deegan (2009:322), when adopting this perspective, the role of accounting is not deemed to favour any specific groups or interests.

Legitimacy theory is based on the implied social contract between business and society, whereas stakeholder theory refers to the "contracts" between the organisation and different stakeholder groups (Clarkson, 1995; Hossain et al., 2015; Mahadeo et al., 2011). Suchman (1995) posited that legitimacy theory suggests that voluntary disclosures are used to gain, maintain or repair support from society. The voluntary disclosure of CCID enables the organisation to be seen as a socially responsible constituent of society. CCID include a wide range of concerns, which are of importance to a wide range of stakeholders, and accordingly, of interest to society as a whole (Campbell et al., 2006:97).

Stakeholder theory posits that an organisation can benefit from incorporating the needs of stakeholders into its decision-making process (Freeman, 1984; Yekini, 2012:37). The ethical or normative branch of stakeholder theory supports the notion that organisations are accountable to all stakeholder groups. This notion of accountability supports the development of the CCID framework, because in terms of this ethical approach, corporate reporting is assumed to be responsibility driven rather than demand driven (Deegan, 2009:348).

In opposing the ethical branch of stakeholder theory, the managerial branch argues that an organisation will be unable to treat all stakeholders equally, and will respond to the needs and requirements of the stakeholder groups that are deemed "powerful" and essential for the organisation's survival (Bailey, Harte & Sugden, 2000; Ullmann, 1985). The community stakeholder group is classified as a secondary or external group to the organisation (Clarkson, 1995; Thompson & Driver, 2005), while others suggest that the community stakeholder group is a definitive and powerful stakeholder that controls the resources required for the organisation's continued existence (Boehm, 2005; Yekini et al., 2015). However, in the context of CCID, stakeholder theory appears to be essential for understanding the relationships between an organisation and its local community (Arli & Cadeaux, 2014; Wood & Jones, 1995).

Both stakeholder and legitimacy theories consider the social system, but from different perspectives (Gray et al., 1995b). According to Chen and Roberts (2010), legitimacy theory relates to the legitimisation process, while stakeholder theory considers the legitimisation strategy. It would therefore be incomplete to consider only stakeholder or legitimacy theory when developing a CCID framework.

The next chapter explains the research methodology and method adopted in this study.

CHAPTER 5

RESEARCH METHODOLOGY AND METHOD

5.1 INTRODUCTION

The previous chapter focused on the theoretical structure underpinning CCID practices and the relationship between legitimacy theory and stakeholder theory was discussed. The aim of this chapter is to align the applicable theories with the research methodology and research objectives of this study. Research methodology refers to the theory of how research should be conducted (the actual process) – while “research method” relates to the research techniques applied to collect and analyse data (Saunders et al., 2009:3).

Firstly, this chapter positions the research process in the philosophical and epistemological context in which the philosophical assumptions underpin the research methodology applied. Thereafter, the chapter focuses on the various research techniques and approaches, which ultimately resulted in the selection of the most appropriate research method for this study. The details of the research method and design applied in this study are then explained. The research method and design include a discussion of the research strategy and research stages of the study. In order to meet the research objective of this study, the guidance of Coy and Dixon (2004) on constructing a disclosure index was followed. The study comprised three research stages, commencing with the development of the initial CCID framework. The initial CCID framework was refined and validated in the second research stage, while the third research stage involved the application of the CCID framework.

5.2 PHILOSOPHICAL ASSUMPTIONS

According to Saunders et al. (2009:107), research philosophy relates to “the development of knowledge and the nature of that knowledge”. Research philosophies include positivism, realism (post-positivism), transformativism (critical), interpretivism (constructivism), pragmatism, relativism, subjectivism, hermeneutics and feminism (Creswell, 2014; Saunders et al., 2009; Trochim, 2006). The purpose of this chapter is not to elaborate on or debate the various schools of thought on the different philosophical assumptions, but to provide a comprehensive discussion of the research philosophy and methodology applied in this study. This section reviews the research philosophy selected for this study.

Research philosophy is the foundation of the entire research process (Saunders et al., 2009:107). Guba and Lincoln (1985:6) defined research as the "type of disciplined inquiry undertaken to resolve some problem in order to achieve understanding or [to] facilitate action". According to Lee and Lings (2008:6), research relates to the generation of knowledge, depending on the worldview adopted. The research philosophy adopted in any study therefore contains certain assumptions about the way in which the world is viewed. These assumptions include ontological, epistemological, axiological and methodological considerations (Guba & Lincoln, 1994:105; Loo & Lowe, 2011:24). Ontology relates to the nature of existence, while epistemology follows ontology, which relates to the manner in which what exists is known or what the reality is (Lee & Lings, 2008; Saunders et al., 2009). Trochim (2006) asserted that epistemology and methodology are closely intertwined. Epistemology refers to how the world and knowledge are understood, whereas methodology relates to the specific practical approaches to understanding the way in which the world is understood (Trochim, 2006) and knowledge generated. Axiology also follows ontology and relates to the aims and value of research (Lee & Lings, 2008).

Positivism is a worldview that assumes that research is conducted within an observable social reality and is typical of the physical and natural sciences (Remenyi, Williams, Money & Swartz, 1998:32). It advocates that research is conducted objectively in the sense that it does not affect or is not affected by the subject of the research (Remenyi et al., 1998:33). Positivists believe that observation and measurement are the basis for discerning between the natural laws of the universe (Trochim, 2006). However, while positivists have confidence in the fact that events can be controlled and predicted, there are also contrasting perceptions of the social sciences such as realism and interpretivism.

Critical and direct realism are two forms of realism. Realism refers to what the senses reveal as real. Furthermore, this paradigm states that reality exists independently from the human mind (Saunders et al., 2009:114,129). Direct realism assumes what the senses reveal about the world as "the truth". Critical realism moves beyond direct realism and argues that a mental process in humans ascribes realistic meaning in terms of what the senses reveal about the world (Saunders et al., 2009:115). The positivist believes that the aim of science is to reveal the truth, while the post-positivist, critical realist relies on science to clarify reality, yet admitting that it never can be achieved because all observations are fallible (Trochim, 2006).

In contrast to the worldviews of the positivist and realist, the interpretivist argues that humans and their interaction within the social world are the focus of social science research (Saunders et al., 2009:116). According to Gray (2004:19), phenomenology and symbolic interactionism are examples of interpretive techniques. Phenomenology relates to how humans interpret the phenomena of the world they live in, and is defined by Saunders et al. (2009:597) as a "[r]esearch philosophy that sees social phenomena as socially constructed, and is particularly concerned with generating meanings and gaining insights into those phenomena". Symbolic interaction relates to the process of understanding the world, as human actions occur (Gray, 2004:24; Saunders et al., 2009:116). Accordingly, interpretivism requires continuous interpretation (Bryman, 2008:13; Saunders et al., 2009:116). The interpretivist adopts an empathetic (subjective) stance and is sensitive to the research domain, while entering the social world from the participants' perspectives (Saunders et al., 2009:116).

According to Saunders et al. (2009:109), if the research question does not suggest an interpretivist or positivist philosophy, a pragmatic viewpoint is confirmed. Creswell (2014) suggested that pragmatists argue that the research question in a study is the main driver of the research. Accordingly, there are various epistemological, ontological and axiological assumptions in a pragmatic philosophy (Saunders et al., 2009:109). The most suitable research approach therefore depends on the approach that would be most helpful in answering the research question (Johnson & Onwuegbuzie, 2004; Saunders et al., 2009; Tashakkori & Teddlie, 1998). Pragmatism acknowledges that the world is experiential with objective elements, subjective elements or a combination thereof (Creswell, 2014; Johnson & Onwuegbuzie, 2004). This study therefore followed a pragmatic philosophy and a mixed-methods research approach, as the development of a CCID framework required the integration of theoretical perspectives, an assessment of qualitative measures, quantitative support and a study of the practical use of knowledge.

In terms of the above perspectives, the purpose of the current research was to, firstly, develop a CCID framework by determining the current state of best practice CCI reporting and to incorporate stakeholder requirements into the framework. Secondly, the application of the CCID framework established the current nature, extent and quality of CCID on a sample of JSE-listed organisations, and accordingly ascertained how stakeholder CCID requirements are being met. On the strength of this, the pragmatist paradigm was deemed the most suitable approach to answer the research questions.

The rationale for this study's paradigm is discussed in more detail in section 5.3, which explains the research approach, strategy and choice, supporting the research method and design for this study.

5.3 RESEARCH APPROACHES, TECHNIQUES AND CHOICES

Quantitative research refers to the collection of numerical data with the analysis conducted scientifically or statistically, thus supporting a positivist research philosophy and generally following a deductive research approach (Gray, 2004:21,25). According to Bryman (2008) qualitative research is the accurate description and interpretation of events as they occur in the natural world, generally following an inductive approach supporting the interpretivist research philosophy (Gray, 2004:39). Both research techniques have inherent strengths and weaknesses (Bryman, 2008; Saunders et al., 2009). The combination of quantitative and qualitative research techniques is referred to as the mixed-methods approach, and follows the ideology of pragmatism (Gray, 2004:29). Mixed-methods research is a practical and logical solution to overcoming the shortcomings and combining the strengths of both quantitative and qualitative approaches (Johnson & Onwuegbuzie, 2004; Tashakkori & Teddlie, 1998).

The mixed-methods research approach allows triangulation – seeking confirmation or corroborating results with the use of two or more data sources or data collection methods (Gray, 2004:37; Saunders et al., 2009:154). The use of mixed-methods or pragmatic research is becoming increasingly prevalent in the accounting discipline

(Belal et al., 2013; De Colle, Henriques & Sarasvathy, 2013; Grafton, Grafton, Lillis & Mahama, 2011; Merino, 1993; Modell, 2010; Wouters & Wilderom, 2008). Merino (1993:163) argued that a pragmatic perspective allows analysis of the role of accounting in society. In this study, a combination of quantitative and qualitative data analysis techniques allowed for a deeper understanding of CCI reporting in South Africa. A qualitative analysis of disclosures was essential for identifying the current state of best practice CCI reporting in South Africa. The initial CCID framework was further qualitatively refined on the basis of CCI expert opinions, and the qualitative data and findings were corroborated with inferential statistics in order to triangulate the findings (Christ, 2016:36). According to Leech and Onwuegbuzie (2007), a minimum of two techniques should be applied to understand a phenomenon more fully. In this study, multiple data sources and collection methods (content analysis, document analysis, interviews and inferential statistics) were used to achieve the research objective.

According to Creswell and Plano Clark (2011), a sequential procedure is used when seeking to elaborate or expand upon the findings of one method by applying another method. Morse (1991) constructed a mixed-methods notation guide, which explains the mixed-methods procedures adopted in a study. Following Morse (1991), the notation adopted for this study was presented as QUAL-Quan, where greater emphasis is placed on upper-case notations, and less emphasis demonstrated through the use of lower-case abbreviations (Creswell, 2014:229). While a mixed-methods approach was adopted in this study, it was guided by qualitative data techniques. The reason for this, as explained by Patton (2002:17), is that the "power of qualitative data" is its ability to gain rich information insights. Qualitative data affords the researcher the opportunity to examine a subject in as real a way as possible (Robson, 2002; Saunders et al., 2009:482). Quantitative data establishes, confirms and validates relationships that contribute to theory (Leedy & Ormrod, 2001:102; Williams, 2007:66).

Figure 5.1 (below) illustrates the mixed-methods research approach, following the quantitative and qualitative data analysis techniques applied in the different research stages of this study.

Research stage 1: Development of an initial CCID framework

Research method:

1.1 Content analysis of CCID of the12 top-performing companies
1.2 Document analysis to identify CCID items
1.3 Pre-consultation of the initial CCID framework

Data: Qualitative

Research stage 2: Refinement of the initial CCID framework by incorporating expert opinions to construct the CCID framework

Research method:

2.1 Semi-structured interviews with 30 CCI experts
2.2 Follow-up confirmation and validation interviews

Data: Qualitative

Research stage 3: Application of the CCID framework

Research method:

3.1 Content analysis of 116 corporate documents from South African JSE-listed entities

Data: Qualitative and Quantitative

Figure 5.1: Research stages

Research stage 1 was exploratory and descriptive. The initial CCID framework was developed during this stage, and involved the analysis of different documents. A template analysis approach (King, 2004) was adopted to identify reporting trends from current CCID. The CCID of 12 top-performing CSR companies were analysed. Thereafter, CCI reporting items were identified by means of a document analysis. The document analysis included a review of reporting guidance by private organisations and other non-accounting bodies, which was incorporated into the initial CCID framework. The initial CCID framework was therefore configured through key themes from current CCI reporting components and voluntary reporting guidance on CCI to present a best practice benchmark. Finally, the initial CCID framework was pre-tested by academics in the field. This ensured that there were no glaring omissions prior to the application of the framework in research stage 2.

In research stage 2, the initial CCID framework (stage 1) was refined and validated in order to construct the CCID framework. Interviews were conducted with CCI experts to elicit their opinions on the importance of the disclosure items listed in the CCID framework. Based on their opinions and suggestions, a best practice CCID framework was designed.

In research stage 3, CCID were analysed on the basis of the developed best practice CCID framework. The CCID of the largest 10 Basic Materials and largest 10 Financials industry companies listed on the JSE were analysed, and the extent and quality of their CCID were assessed. Integrated reports, sustainability reports and the corporate webpages for a three-year period (2015 to 2017) were analysed, which yielded a total of 116 documents.

The combination of both techniques was deemed appropriate to achieve the research objective of this study, namely to develop a CCID framework. The first two stages of this study were mainly qualitative, while the third research stage triangulated the data to present a laminated, rigorous set of findings (see figure 5.1 above). The implication of this is that the sequential explanatory design was appropriate for the study, because it allowed for the interpretation and evaluation of the findings of each stage to reinforce and explore data in the following stage. The research stages complemented one another, resulting in robust interpretations on the completion of each stage (Creswell, 2014:225).

The next section elaborates on the method and design selected for this study.

5.4 RESEARCH METHOD AND DESIGN

The primary aim of this study was to develop a disclosure framework to guide CCI reporting in South Africa. Three sequential research stages were conducted in order to develop the CCID framework. An initial CCID framework was developed by combining content analysis and document analysis. The initial framework formed the basis of the CCID framework. The CCID framework provided a set of best-practice guidelines for CCI reporting by South African companies.

This section is divided into two main subsections. Firstly, the research strategy section provides the details of the research method and design, including considerations such as cross-country or limited country research, the applicable research period, the use of different reporting mediums, access to data, and sampling issues. Secondly, the research stages and data collection process applicable to each stage are explained.

5.4.1 Research strategy

This section presents the items considered as part of the research strategy. Discussion items include single-country versus cross-country considerations, the applicable time period of the study, the type of corporate reports analysed and the sample drawn from the research setting and population. According to Etikan, Musa and Alkassim (2016), the processes used to collect data and from whom to collect it, require sound judgement. Primary and secondary data was collected in this study. Data from the content analysis and interviews constituted primary data. Saunders et al. (2009:318) defined primary data as new data collected for the research in a specific study. Secondary data were obtained from a selection of documents (Bowen, 2009:27) to inform the development of the CCID framework. The relevant research strategy considerations are discussed in the section below.

5.4.1.1 Cross-country considerations

The focus of this study was on CCID. South African companies listed on the JSE were the sample unit of analysis. The South African history and backdrop provided a unique setting for studying CCID (see section 1.2 for information on the South African background, and section 3.2 for details on the South African regulatory requirements). According to Belal and Owen (2007), there are striking differences between the CSR-consciousness levels in developed and developing countries, which are inclined to complicate CSR cross-country comparisons. Developing countries tend to be less conscious of CSR reporting, where the differences relate mainly to a lower awareness level of the prominence of internal stakeholders, such as employee management and the importance of government relations (Belal & Owen, 2007:28). Hossain et al. (2015:289) agreed that stakeholder expectation, which influences CSR reporting, differs between developed and developing countries.

Based on the chapter 2 literature review (section 2.4), there are opposing views on the state of CSR reporting in comparisons of developing and developed countries (Baskin, 2006:35;46; Belal et al., 2013; Belal & Momin, 2009; De Villiers & Alexander, 2014:198; Soobaroyen & Mahadeo, 2016; Visser, 2008:492; Visser et al., 2007). In the midst of these differing opinions, Newson and Deegan (2002:203) argued that a company's social disclosures follow the social, cultural and political environment relating to their country of origin. These factors are also likely to affect the societal expectation levels and what society regards as legitimate (Adams et al., 1998). Freeman and Hasnaoui (2011:439) contended that CSR practices depend on the understanding of the term, which can even differ within a country, as the interpretation thereof is dependent on cultural, political, economic, social and institutional factors.

All companies selected for this study have similar listing, accounting and reporting practices. The similar social and economic climate (historical and current conditions) influences listed business organisations. Consequently, from a country perspective, all the South African companies in this study were operating in the same social and economic context, and they would thus expect similar CSR expectations from society.

5.4.1.2 Period of study

South Africa's past is characterised by political and policy changes, such as the political reform in 1994 that ended the apartheid era (see section 1.2). The establishment of the King Committee shifted the focus of corporate reporting from a shareholder focus to a stakeholder focus[29] (see section 3.2.2). The Black Economic Empowerment (BEE) Act of 2005 recommends the incorporation of previously disadvantaged individuals into the private sector (see section 3.2.1) (South Africa, 2004), and the Codes of Good Practice accompanying the BEE Act were implemented during 2007[30] (Ferreira & De Villiers, 2011; South Africa, 2007; Tangri & Southall,

[29] The stakeholder inclusivity concept of the King Codes applicable to integrated reporting is contrary to the providers of capital focus relating to general purpose financial reporting in terms of the Conceptual Framework (International Accounting Standards Board (IASB), 2010; IODSA, 2016b). The objective of general purpose financial reporting is to provide financial information that is useful to existing and potential investors, lenders and other creditors(IASB, 2010). The introduction of the King Codes and the integrated reporting concept has generated a tension with which companies need to deal.

[30] The Codes of Good Practice provide guidance in terms of obtaining a BEE status. They present the BEE scorecard and define the BEE elements required for a company to obtain BEE status (South Africa, 2007). See section 3.2.1 for more information on the BEE Act in South Africa.

2008). Although corporate social spending occurred in South Africa before 1994 (Fig, 2005:604), corporate social investment expenditure increased considerably from 2007 onwards, as indicated in the graph in figure 5.2 (Trialogue, 2018:28).

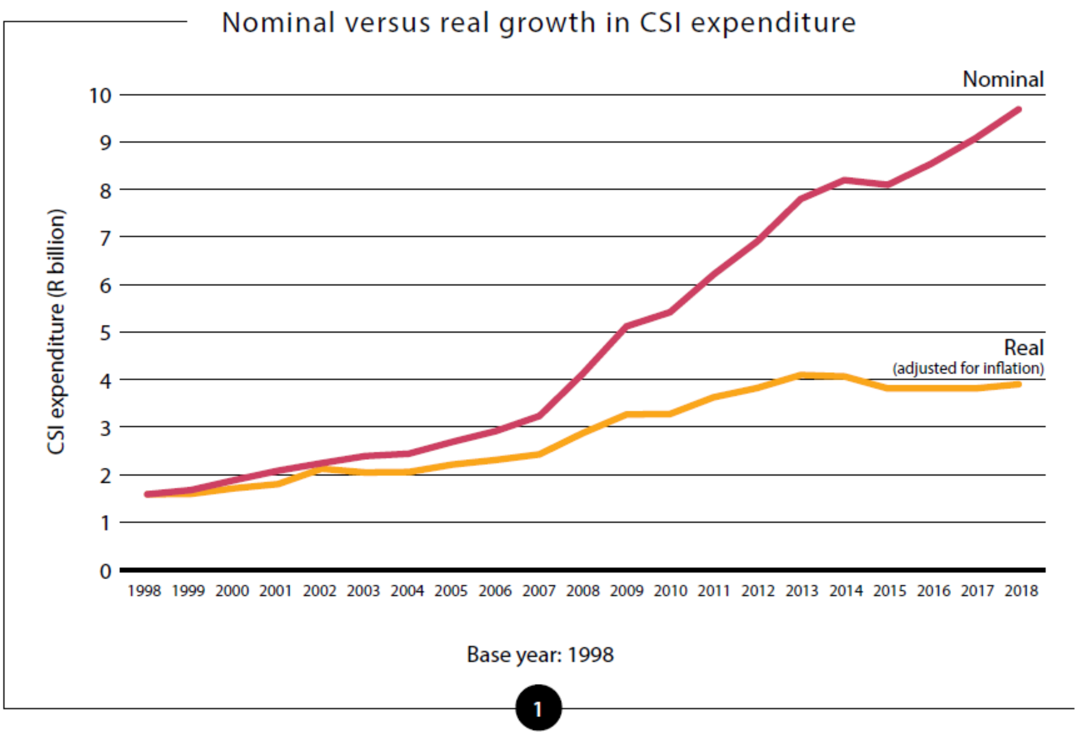


Figure 5.2: Increase in CSI expenditure since 1998 (Trialogue, 2018:28)

Although the historical events relating to CSR may well influence social reporting over time, the focus of the study was not to determine how CCID changed over the longitudinal period (2015 until 2017). However, the final research question was to ascertain the current nature, extent and quality of CCID in South Africa (see research objectives and questions in section 1.5). CCID are a category of CSR (Bowen et al., 2010:297; Yekini & Jallow, 2012:8), and CSR represents disclosures of a voluntary nature (Ackers & Eccles, 2015; Dhaliwal et al., 2011:60). According to Deegan and Gordon (1996:191), voluntary social disclosures are continuously evolving: “if we accept that community values will affect corporate disclosure policies, then we would expect corporate disclosure policies to change as community preference change[s]”.

In the first research stage, the sample included top-performing CSR companies in order to develop an initial CCID framework (see section 5.4.1.4(c)(i) for more details on the identification of the top-performing CSR companies). This forward-looking stage formed the basis for the CCID framework. The current CCI reporting trends and themes were identified from the most recent selection of corporate reports. For consistency among companies, the corporate reports of the 2016 financial year of JSE-listed entities were analysed as part of research stage 1 (see section 5.4.2.1).

During research stage 2, semi-structured interviews were conducted with CCI experts over a two-month period (February to March 2018). In research stage 2, the initial CCID framework was refined by incorporating the CCI experts' opinions and obtaining qualitative insights into CCI reporting in South Africa. The refined CCID framework was subsequently validated by conducting follow-up interviews with the CCI experts over a two-month period (October to December 2018).

In research stage 3, the corporate reports (including integrated reports, sustainability reports and corporate webpages) of JSE-listed companies were selected for a three-year period (2015 to 2017). To answer the research question in this study, namely to determine the current nature, extent and quality of CCID of South African JSE-listed companies (see section 1.5), an analysis of the most recent CCID was required and applied to the sample of companies in the Basic Materials and Financials industries.

5.4.1.3 Corporate reports

Social accounting research suggests that the annual report is commonly used as a measure for examining CSR disclosures (Campbell et al., 2006; Deegan et al., 2002; Deegan et al., 2000; Gray et al., 1995a, b; Soobaroyen & Mahadeo, 2016; Tilt, 1994; Yekini et al., 2017; Yekini et al., 2015; Yekini & Jallow, 2012). Although annual reports do not contain all corporate communication, sufficient reporting content can be obtained from these documents in order to make valid inferences (Campbell et al., 2006:102; Gray et al., 1995b:69; Tilling & Tilt, 2010; Yekini, 2012:108). The annual report is the company's most reliable authentic statutory communication medium and is provided on a regular basis (Campbell et al., 2006; Guthrie & Parker, 1990; Yekini et al., 2017; Yekini et al., 2015). The annual report communicates to stakeholders the corporate activities of the organisation as a whole (Crowther, 2002:297; Schneider & Samkin, 2008:462).

Most CCID studies use annual reports as the corporate media for their investigations (Campbell et al., 2006; Soobaroyen & Mahadeo, 2016; Yekini et al., 2017; Yekini et al., 2015; Yekini & Jallow, 2012). These previous studies are mainly quantitative and are aimed at analysing or comparing relationships or changes – while the aim of the current study was to develop a disclosure framework that required a comprehensive base of disclosures to provide a holistic overview of CCID.

Since the emergence of stand-alone social and environmental (sustainability) reports, the use of annual reports as the only source of CSR content analyses has been questioned (Campbell, Craven & Shrives, 2003; Unerman, 2000:677). In addition to the analysis of sustainability reports (Boiral & Henri, 2017; De Villiers & Alexander, 2014; Diouf & Boiral, 2017; Haque & Deegan, 2010; Soobaroyen & Ntim, 2013), other disclosure media, such as newspapers, brochures and internet sources, have also been considered in social accounting research (Alali & Romero, 2012; Branco & Rodrigues, 2008; Dhaliwal et al., 2011; Lodhia & Stone, 2017; Zeghal & Ahmed, 1990). According to Lodhia and Stone (2017:18), stakeholders demand the disclosure of corporate information (integrated reporting) on the internet, which requires organisations to improve their web-based communications. Branco and Rodrigues (2008:699) found that more CCI information was disclosed on the company's corporate webpages than in the annual report, whereas the Trialogue 2016 CSI Survey found that company websites and annual reports were the most preferred CSI communication medium for South African companies (Trialogue, 2016:47). Lodhia and Stone (2017:29) highlighted the possible imbalance that might occur between the different reporting media, as it was suggested that South African organisations might be overusing internet technologies in an attempt to provide concise integrated reports.

In a perfect world, all communications available from an organisation should be reviewed to provide a complete representation of CSR material. However, at a practical level, it is impossible to prove that all available CSR communications have been captured (Gray et al., 1995a:82). In the construction of the "best practice" CCID framework, it was deemed necessary to include information outside the annual report to provide a holistic overview of the current state of best practice CCI reporting in South Africa. In determining the current extent, nature and quality of CCI reporting, the voluntary nature of CCID was considered, and disclosures outside those of the annual report were included. Since the inclusion of all CCID (including newspapers, brochures and other media releases) was impractical, a decision was taken to analyse annual or integrated reports, stand-alone sustainability reports and corporate webpage disclosures, which were available for the period/s under review (see section 5.4.1.2). An added benefit of the inclusion of different corporate reporting media in the analysis was the identification of CCID differences between these media.

5.4.1.4 Sample drawn from research setting and population

This section focuses on the sampling technique, sampling factors and sample selection in this study.

a) Sampling technique

In the social and behavioural sciences, scholars have different views on sampling techniques and the best way to apply them. According to Onwuegbuzie and Leech (2005:285) and Saunders et al. (2009:211), sampling techniques can be classified as probability sampling or non-probability sampling, while Teddlie and Yu (2007) suggested that there are four broad sampling categories, namely probability, purposive, convenience and mixed-methods sampling (Teddlie & Yu, 2007:77). Although it was not the intention of this study to debate the various schools of thought on the categorisation of sampling techniques, the main differences and sampling techniques applied in this study are briefly touched on here.

Probability sampling is well suited to quantitative-orientated studies, because the probability of a case being selected from a known population is equal (Saunders et al., 2009:213). Probability sampling requires the selection of a random, large sample that adequately represents the population (Teddlie & Yu, 2007:83). Convenience sampling, which Teddlie and Yu (2007) classify as a separate category, or Saunders et al. (2009) include as part of non-probability sampling, relates to the selection of cases which are easily accessible and willing to participate in the research sample (Teddlie & Yu, 2007:78). When the probability of each case being selected from the total population is unknown or non-random, and includes subjective reasoning, it is known as non-probability sampling (Saunders et al., 2009:213,233).

Mixed-methods sampling, as identified by Teddlie and Yu (2007:78), relates to the selection of cases by using probability and purposive sampling strategies, thereby increasing the external validity and transferability of the sample. Where probability sampling relates to quantitative research and purposive sampling usually relates to qualitative research, mixed-methods sampling is located in the centre of the purposive-probability sampling continuum. The application of both sampling techniques can occur at different levels of the research design (Onwuegbuzie & Leech, 2005; Sandelowski, 2000).

A non-probability/purposive sampling technique was selected to attain the research objectives of this study. Purposive sampling selected cases created an information-rich sample that adequately achieved the research objectives and answered the research questions (Crossman, 2018; Saunders et al., 2009:237). According to Etikan et al. (2016:2), non-probability sampling techniques select the most appropriate documents/individuals for inclusion in the sample, because they contain/hold specific content and expertise pertaining to the research problem under investigation. Purposive sampling is commonly used when following a qualitative research approach, because it endeavours to understand the depth and the breadth of a phenomenon (Patton, 2002). Even though a mixed-methods research approach was adopted in this study, it relied heavily on analysis of qualitative data in comparison to quantitative data (see section 5.3 and figure 5.1).

This study adopted a common purposive sampling strategy, that is, heterogeneous sampling (Saunders et al., 2009:239), also known as maximum variation sampling (Crossman, 2018; Etikan et al., 2016; Patton, 2002; Teddlie & Yu, 2007), which enables the collection of data that describes the different study themes. According to Patton (2002), this sampling approach is used to capture the uniqueness of the study, which is portrayed through the differences in the selected sample.

b) Sampling factors

Several sampling factors have been identified in the CSR, CCI and corporate philanthropy literature, all of which relate to CCID. Yekini et al. (2017:13) found that CCID increase in the same way as CSR disclosures, suggesting that similar societal pressures drive these functions. Companies presenting CCID generally share the following characteristics: larger size (Campbell et al., 2006; Yekini et al., 2017:13); companies operating in the same country of domicile (Adams et al., 1998; Belal & Owen, 2007); companies motivated to prepare CSR information in annual reports (Toms, 2002; Yekini et al., 2017); companies in high public profile industries (Campbell et al., 2006; Yekini & Jallow, 2012); and more established companies with a longer listing age (Yekini et al., 2017). These factors, as discussed in chapter 2, were taken into account when the samples for the different research stages were selected for this study.

c) Sample selection

Since CSR reporting and integrated reporting are considered standard practice in South Africa (KPMG, 2016:5), the companies listed on the JSE are deemed to report on their CCI activities. However, the quantity and quality of the CCID presented were discretionary, and a random sample from the JSE would not have sufficed in terms of meeting the research objectives of this study. Accordingly, purposive sampling was applied for the various research stages, while the prior literature provided insights into the company characteristics influencing CCID (Campbell et al., 2006; Yekini et al., 2017), which were considered in this study.

(i) Research stage 1

Research stage 1 required informative CCID in order to gain insight into the development of the initial CCID framework. The best CCI reporters were required for this stage, because reports that included information on CCI activities would have provided useful insights, whereas reports that failed to disclose CCI activities would not have been useful in developing an initial CCID framework. Because CCI is a subset of CSR, the best performers on the CSRHub[31] were selected to construct the initial CCID framework. Yekini and Jallow (2012:12) adopted a similar sampling approach, where companies were selected from a ranking list of the top CSR

[31] CSRHub is a US-based company that provides stakeholders with access to CSR ratings and information on more than 17 411 companies from 133 different countries. CSRHub aggregates and harmonises ESG datasets from leading analyst companies and inputs from government and NGO publications (CSRHub, 2017a). Datasets from leading analysts include ASSET4 (Thomson Reuters), CDP (Carbon Disclosure Project), IW Financial, MSCI (ESG Intangible Value Assessment, ESG Impact Monitor, GovernanceMetrics, and Carbon Tracker), RepRisk, Trucost and Vigeo EIRIS (CSRHub, 2017a).

performing companies. They selected 27 UK companies from the 100 top-ranked companies on the Business in the Community (BITC) ranking of CSR performance in the UK.

In research stage 1, a geographic regional search provided a ranking of 316 South African companies. According to the average-user profile setting, the top-rated/best-performing companies were included in the sample. There were 12 companies with a total rating of more than 65, while the companies ranked seventh to 12th all obtained similar scores[32] (CSRHub, 2017b). The work of Guest, Bunce and Johnson (2006) on data saturation was consulted when determining the sample size for this stage. Data saturation is defined as the point at which no new information or themes are observed. Data saturation usually occurs within the first 12 cases – although the basic elements for meta-themes are present in about six cases (Guest et al., 2006:59). Accordingly, the top 12 CSR performers were selected from CSRHub for the analysis in research stage 1, which and are listed in table 5.1.

Table 5.1: Research stage 1: Sample of companies

#	Companies	Sector (CSRHub)	Industry (JSE)*
1	Kumba Iron Ore Ltd	Mining (except Oil & Gas)	Basic Materials
2	Nedbank Group Ltd	Banking	Financials
3	Vodacom Group Ltd	Telecommunications	Telecommunications
4	Standard Bank Group Ltd	Banking	Financials
5	Oceana Group Ltd	Forestry & Fishing	Consumer Goods
6	Exxaro Resources Ltd	Mining (except Oil & Gas)	Basic Materials
7	Aspen Pharmacare	Pharmaceutical & Medicine Manufacturing	Healthcare
8	Netcare Ltd	Hospitals	Healthcare
9	Sappi Ltd	Paper Products	Basic Materials
10	Mondi Ltd	Paper Products	Basic Materials
11	Murray & Roberts Ltd	Construction	Industrials
12	Life Healthcare Group Holdings Ltd	Hospitals	Healthcare

*Source: CSRHub, 2017b. *Classification obtained from Iress database*

[32] The top 12 companies were obtained from CSRHub on 24 May 2017 from https://www.csrhub.com/csrhub/. The companies ranked seventh to 12th all obtained scores of 66/100.

(ii) Research stage 2

In research stage 2, the initial CCID framework was refined by incorporating the opinions of CCI experts. Section 5.4.2.2 discusses the aspects of the CCI expert selection and interviews.

(iii) Research stage 3

This stage involved a sample of 20 JSE-listed companies that were analysed for a three-year period (2015 to 2017). Owing to the importance of industry association and CCID (Campbell et al., 2006; Yekini & Jallow, 2012), two prominent South African industries were selected for research stage 3. The 10 largest companies on the JSE in the Basic Materials and Financials industries were selected, which yielded a total of 116 documents analysed (see table 8.1 chapter 8). In South Africa, the mining, retail and financial services industries accounted for 75% of the CSI expenditure during 2016 (Trialogue, 2016:28). The industries represent 26% (Basic Materials) and 20% (Financials) of the JSE by market capitalisation (Sharenet, 2013).

In addition to the large CSI contributions of mining companies in South Africa (Trialogue, 2016:28), the sector demonstrates its commitment to CCI by publishing a Mining CSI Magazine to enhance its CCI communication (Chamber of Mines, 2017). The large CSI contributions and commitment to CCI follow the Mining Charter, SLP and BEE regulations, which enforce community engagement in the South African mining sector (section 3.2.1, chapter 3). Moreover, according to Odendaal (2011), it is important for mining companies to understand the social risk relating to communities in order to avoid conflict around the mine, because mining communities across Africa are increasingly learning and understanding their rights relating to mining and economic development.

Since mining companies are motivated to legitimise their operations and actions with society (MiningCSI, 2017), CCI and CCID are expected. De Villiers and Alexander (2014:199) posited that in South Africa the mining industry is a significant provider of employment and wealth. According to Maubane, Prinsloo and Van Rooyen (2014), in South Africa, the mining and materials sector disclosed more on social sustainability and stakeholder relationships in comparison to other sectors. Stakeholders for this industry include communities, government, investors, employees, the media, NGOs and unions (see list of corporate reports analysed in chapter 8, table 8.1).

South Africa is also well known for its well-developed and effectively regulated banking system (Banking Association South Africa, 2017; Brand South Africa, 2017). The South African Reserve Bank, the central bank, conducts its business practices transparently on the basis of ethical values, adherence to legal requirements and respect for the communities and environment (South African Reserve Bank, 2017). In a recent World Economic Forum Global Competitiveness Report that surveyed 140 countries, South Africa's financial market development was ranked 12^{th} (Schwab & Sali-i-Martín, 2015). The South African banking sector compares well with its developed counterparts and attracts interest from abroad, with several foreign banks established in the country, while others have acquired stakes in major South African banks (Banking Association South Africa, 2017). The stakeholders for the Financials industry include government and regulators, shareholders and analysts, employees, customers, suppliers and communities (see list of corporate reports analysed in chapter 8, table 8.1).

Table 5.2 (below) presents the sample of the largest companies in the Basic Materials and Financials industries listed on the JSE, on the date the sample selection was made for research stage 3.

Table 5.2: Research stage 3: Sample of companies

#	Companies
Basic Materials	
1	Anglo American Platinum Ltd
2	Kumba Iron Ore Ltd
3	Exxaro Resources Ltd
4	Impala Platinum Holdings Ltd
5	Assore Ltd
6	Northam Platinum Ltd
7	AECI Ltd
8	Harmony Gold Mining Company Ltd
9	Omnia Holdings Ltd
10	Arcelormittal South Africa Ltd
Financials	
1	FirstRand Ltd
2	Standard Bank Group Ltd
3	Sanlam Ltd
4	Nedbank Group Ltd
5	Capitec Bank Holdings Ltd
6	Discovery Ltd
7	RMB Holdings Ltd
8	Growthpoint Properties Ltd
9	Redefine Properties Ltd
10	PSG Group Ltd

Source: Iress database as at 12 July 2017

Accordingly, a final sample of 20 companies was selected from the companies listed on the JSE main board (Basic Materials and Financials industries), as at 30 July 2017. A sample of 20 companies resulted in the analysis of a maximum of 116 documents (60(20 x 3years x 1(IR)) 36(SR) + 20 (CW)). Only 36 sustainability reports were available for the sample of companies over the period of review (see section 8.2 for more detail). Because a purposive sampling approach was adopted, the sample was not representative of the larger JSE population or of all South African companies. Access to corporate reports, details of contact with the company managers, users and experts used in this study, are discussed in the next section.

5.4.1.5 Access factors

For research stages 1 and 3, corporate reports were obtained from company websites as Adobe Acrobat files. Electronic files were preferable to hardcopy documents because they allowed for content analysis investigation on computer-aided qualitative data analysis software (CAQDAS). The corporate reports for the selected sample of companies were obtained from the Iress database and their corporate webpages. CCID from company websites were copied and pasted into a Microsoft Word document to facilitate the content analysis. Some of the Microsoft Word documents were converted to PDF documents, based on CAQDAS requirements.

In research stage 2, the contact details of CCI experts were obtained from company websites, and where this was not possible, telephonic conversations with or emails addressed to the selected company representatives were used to obtain contact details.

The three research stages in which the pragmatic mixed-methods approach was followed, are discussed in the next section.

5.4.2 Research stages

As stated previously, the main research objective of this study was to develop a CCID framework for South African companies. Coy and Dixon (2004:85) designed a six-step model to construct a disclosure index. The six steps are as follows:

Step 1: Identify the objectives of reporting for the sector.

Step 2: Review contemporary reporting in the sector.

Step 3: Determine the objectives of the index.

Step 4: Identify appropriate disclosure items and report qualitative characteristics.

Step 5: Obtain stakeholder validation of index items.

Step 6: Craft and test the index.

A brief overview is presented for steps 1 and 3, as most of the identified objectives by sector level and index level were addressed as part of the literature review in chapters 2 and 3. For steps 2 and 4, the review of contemporary reporting and the identification of appropriate disclosure items were prominently represented as part of research stage 1 of this study. The sequential research stages followed in this study, constructed through the application of the Coy and Dixon (2004) model, are illustrated in figure 5.3 (below). Thereafter, each research stage is discussed in detail.

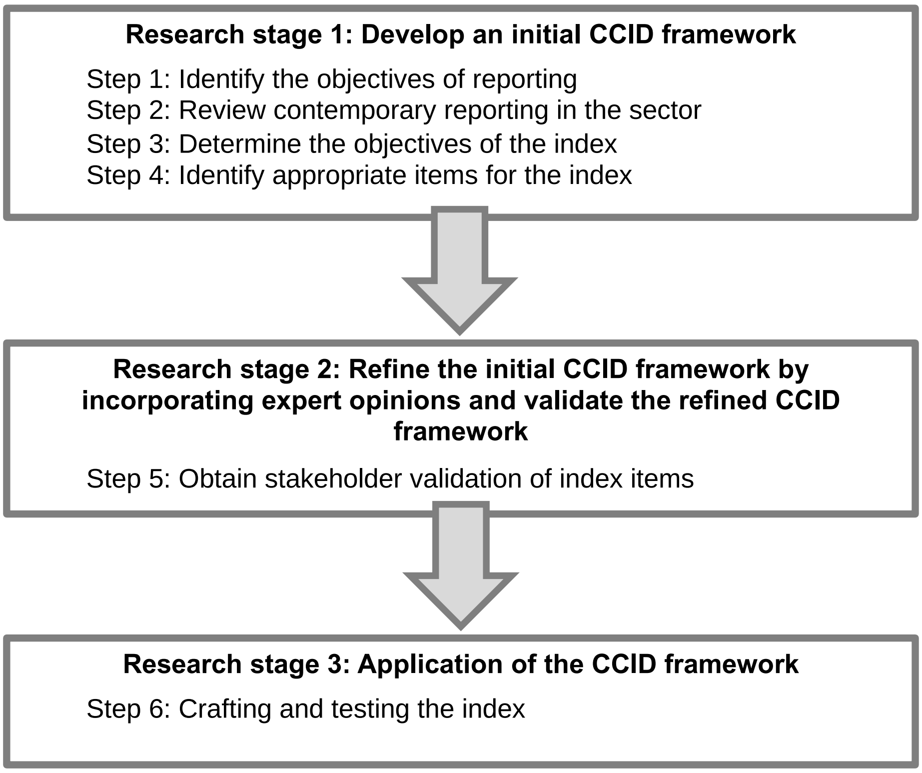


Figure 5.3: Research approach (from figure 5.1) following the Coy and Dixon (2004) construction of an index model

5.4.2.1 Research stage 1: Development of an initial CCID framework

Research stage 1 was an exploratory research stage owing to the limited CCID research. This stage entailed providing the background to and an understanding of CCID in South Africa. Document analysis and content analysis techniques were applied. This stage started with content analysis of the 12 best-performing CSR reporters. CCI reporting trends were identified from their CCID in order to develop the initial CCID framework. CCI reporting guidelines were identified on the basis of the literature and voluntary regulatory guidelines, combined with the content analysis of the top performers, in order to develop the initial CCID framework. The initial CCID framework was pre-tested before the commencement of research stage 2. Coy and Dixon's (2004) model was used to construct a CCID framework.

(a) Step 1: Identify the objectives of reporting for the sector

The first step in Coy and Dixon's (2004) model entails identifying the reporting objectives relating to the sector. CCI is a subset of CSR reporting, and is broadly categorised in the literature as part of social accounting (see chapter 2).

According to Gray et al. (1996a:38), it is an organisation's duty to provide an account of the actions it is responsible for, and this account is not necessarily a financial one. Social accounting relates to the reporting of non-financial matters to stakeholders, through different reporting media for different purposes (Gray et al., 2014). This accountability notion informs CSR reporting because it is the organisation's responsibility to provide society with information on the extent of the organisation's actions (Gray et al., 2014; Gray et al., 1991).

The IIRF and King Codes drive the reporting objectives of the sector. The reporting objective of integrated reports is to provide information on the organisation's ability to create value over time, and these reports should contain financial and other relevant information (IIRC, 2013b:7). The objectives of King IV, inter alia, are to promote corporate governance and to deliver on its outcomes – such as good performance, effective control, legitimacy and an ethical culture (IODSA, 2016b:22). King IV furthermore encourages transparent and meaningful reporting to stakeholders (IODSA, 2016b:22). See chapter 3 for more details on South African governance structures and the objectives of the sector applicable to CCI. The CCI framework augments the accountability of the organisation to its stakeholders.

(b) Step 2: Review contemporary reporting in the sector

Current reporting practices relating to CCI were examined as part of the literature review. The review includes examination of South African regulatory initiatives and related disclosure requirements, as identified in the King Codes and the IIRF (see chapter 3). Further to the literature overview, an analysis of corporate reports containing CCID in the first research stage provides a review of contemporary reporting in the sector.

The corporate reports analysed included the integrated reports, sustainability reports and corporate webpages of 12 top-performing CSR companies, which were analysed for CCID. According to Bowen (2009:33), the extraction of words, sentences or paragraphs should be done in relation to the meaning, contribution and relevance of the document analysed. Documents such as integrated and sustainability reports were deemed relevant when the CCID of JSE-listed entities were studied, and related to the purpose of developing a CCID framework. The publicly available integrated and sustainability reports were prepared by JSE-listed organisations, which ensured that these documents were authentic, credible and accurate.

According to Balan, Balan-Vnuk, Metcalfe and Lindsay (2016:8), a central consideration in the analysis of qualitative data relates to the trustworthiness of the analysis. Trustworthiness includes characteristics such as credibility, transferability, dependability and conformability (Balan et al., 2016:8). The use of a systematic audit trail supports the trustworthiness of the process (Bowen, 2009; Guba & Lincoln, 1985). The audit trail of the content analysis process followed on ATLAS.ti is available on request.

Content analysis is a data collection method that codifies the content (text, piece of writing or narrative) through decision rules (selected criteria) into various groups or categories (Weber, 1990:9). Krippendorff (2013:24) defines content analysis as a research technique that can be used "for making replicable and valid inferences from texts (or other meaningful matter) to the contexts of their use".

Content analysis has been widely used in social accounting research (Branco & Rodrigues, 2008; Campbell et al., 2006; Gray et al., 1995a; Guthrie & Parker, 1990; Hackston & Milne, 1996; Samkin, Schneider & Tappin, 2014; Schneider & Samkin, 2008; Van der Laan Smith et al., 2005; Yekini & Jallow, 2012; Zeghal & Ahmed, 1990). The literature confirms the use of content analysis of annual reports (Campbell et al., 2006; Soobaroyen & Mahadeo, 2016; Van der Laan Smith et al., 2005), stand-alone sustainability reports (Soobaroyen & Ntim, 2013), the internet (Branco & Rodrigues, 2008) and other mass media sources (Yekini et al., 2017:7).

To ensure the validity and reliability of the content analysis of CCID, certain technical conditions are required to ensure that the content analysis is effective. The technical requirements include the following: clarification of the unit of analysis, systematic and objective data capturing, the use of a reliable coder for consistency and ensuring that the process is reliable and can be validated (Guthrie & Abeysekara, 2006:120; Guthrie et al., 2004:287). Reliability measures applied in a content analysis include stability, reproducibility and accuracy (Krippendorff, 2013). Validation is possible by following a systematic approach, by consistently applying a set of rules (Ingram & Frazier, 1980:616).

(i) Unit of analyses

There are different measurement units, including word counts (Campbell et al., 2006; Deegan & Gordon, 1996; Soobaroyen & Mahadeo, 2016; Soobaroyen & Ntim, 2013; Yekini & Jallow, 2012; Zeghal & Ahmed, 1990), sentence counts (Deegan et al., 2000; Hackston & Milne, 1996; Milne & Adler, 1999) and page proportion counts (Gray et al., 1995a; Guthrie & Parker, 1990). According to Unerman (2000), each of these measurement options has advantages and limitations. The argument revolves around the best way of coding and counting narrative disclosures, because the specific disclosure type needs to be identified and then measured or counted (Milne & Adler, 1999).

According to Krippendorff (2013:101), "words" are the smallest units of meaningful text. By using the smallest unit of text, a more reliable account can be prepared, because of an agreement between coders. A word count provides a simple and robust account of an organisation's interest in a specific social matter (Campbell et al., 2006:105; Soobaroyen & Ntim, 2013:100). However, discerning between words in isolation can be problematic for coders (Hackston & Milne, 1996:84).

Hackston and Milne (1996:84) argued that whole sentences can be counted with more accuracy, because it is the sentence and not the word that conveys the true meaning. Unerman (2000:675) concurred by stating that fewer errors occur when counting sentences, compared to counting words. By using word or sentence counts as units of measurement, the coder omits possible graphs, charts, figures and photographs included in the corporate reports, which would have been included when using proportions of pages as a measurement unit (Unerman, 2000:675). A disadvantage relating to the use of proportion of pages as a measurement unit is the requirement of standardisation of pages. While print sizes, column sizes and page sizes may differ across corporate reports (Hackston & Milne, 1996:84), a simple word or sentence count can resolve these problems.

For this study and following the integration of CCI in the corporate reports investigated, sentences were used as the units of measurement. The sentence conveys the true meaning and intention considered throughout the documents. A word or page proportion measurement would not have accurately identified and classified the CCID sentences, which were integrated among other disclosures.

(ii) Categorisation

The content analysis identified CCI reporting themes from top-performing CSR reporters. The content analysis approach applied, as part of this research stage, is known as template analysis (King, 2004:505; Saunders et al., 2009). Template analysis develops categories and attaches them to data units. Saunders et al. (2009:506) stated the following in this regard: "Data are coded and analysed to identify and explore themes, patterns and relationships. The template approach allows codes and categories to be shown hierarchically to help this analytical process." This approach includes inductive and deductive analysis (King, 2004; Saunders et al., 2009). Coding prefixes were pre-determined (deductive), followed by/amended with inductive ascribing of meaning as the data were collected and analysed.

According to Saunders et al. (2009:505), this approach essentially provides a template comprising categories (codes) that represent the themes identified. This style of thematic analysis has been widely used in other disciplines such as business and management research (Cassell, Symon, Buehring & Johnson, 2006; Ford, Harding, Gilmore & Richardson, 2017; Waring & Wainwright, 2008), education (Au, 2007) and psychology research (Brooks, McCluskey, Turley & King, 2015; Kirkby-Geddes, King & Bravington, 2013). While the use of thematic analysis in accounting is not that common, exceptions include, for example, the research of Adhikari and Jayasinghe (2017), Edwards and Wolfe (2007), Greenwood and Kamoche (2013) and Sandberg and Holmlund (2015). Template analysis allows data to be handled in a well-structured and systematic approach (Brooks et al., 2015).

The theoretical perspectives, research questions and objectives, as discussed in previous chapters, provided the orientating principles that guided the content analysis. A theoretical thematic analysis engages with the literature preceding the analysis of data, which tends to be more analysis driven, because the research is inevitably driven by a theoretical or analytical interest in the area (Braun & Clarke, 2006:84,86). Categories are created through a combination of terms that emerge from the data and terms used in the existing theory and literature (Saunders et al., 2009:492; Strauss & Corbin, 2008).

(iii) Coder/s

To increase the objectivity of coding, the use of multiple coders is suggested (Guthrie et al., 2004:289; Hackston & Milne, 1996; Milne & Adler, 1999:238). In compiling an innovation index, Balan et al. (2016) did not pursue multiple coders, because of variability in coding and the other checks and balances used in the coding process. The coding strategies that were used in this study are described below.

- The use of a well-specified coding instrument results in a reliable analysis, with few discrepancies (Milne & Adler, 1999:239). In this study well-specified coding/categorisation instruments were used to confirm the reliability of the data, because a single coder was used in research stage 1. The coding instrument is discussed in subsection (iv) below.
- A critical reader examined the coding process and integrated the coding review with the overall logic of thesis development, thus viewing the outputs of coding more holistically, but ethically stopping short at the interpretation and findings' level. Given the complexity of the coding process, this was deemed a dependable method for providing additional rigour to the foundational elements of the analysis.

(iv) Coding instrument

CCID contained in corporate reports are identified on the basis of the definition of CCI (see table 6.1, chapter 6). CCI goes beyond charitable giving and includes the commitment of company resources, such as time, money, infrastructure, skills and expertise to community projects and developments (Moon & Muthuri, 2006:7; Yekini et al., 2015:250). CCI improve the general quality of life of a community, through the arts, housing, the environment, poverty eradication, health and welfare (Moon & Muthuri, 2006; Yekini et al., 2015). An important element of CCI is that these activities occur for an altruistic purpose (IODSA, 2009:51; Yekini et al., 2017:3; Yekini et al., 2015).

Based on the definitions of CCI, which relate to community engagement, support and charitable giving activities (Patten, 1995:280), and the actions pertaining to a company's involvement in the support of education, health and the arts (Campbell et al., 2006; Cowen et al., 1987; Hackston & Milne, 1996; Patten, 1995; Soobaroyen & Mahadeo, 2016; Uyan-Atay, 2010), there are four main CCID categories. The categories include community activities, health and related activities, education and the arts and other community activities. Other community activities include the supporting of sport events or supporting governmental community upliftment campaigns (Hackston & Milne, 1996:107; Yekini, 2012:115). Defining these categories helps to clearly identify the CCI information provided. The CCI categories and the CCID coding decision rules are explained in section 6.3 as part of the template analysis and pilot review results in research stage 1.

A total of 12 integrated reports, 11 sustainability reports and 12 corporate webpages were coded in the CAQDAS, ATLAS.ti version 7.5.10, for systematic and integrated analysis (Friese, 2014). In order to control for any substantial changes to CCI content on corporate webpages, rapid data collection was essential for the investigation of CCI on corporate webpages (McMillan, 2000:85). All corporate webpages were analysed in the same window period (10 to 27 August 2017).

Most companies refer to the supplementary report containing the CSR disclosures as the sustainability report. The sustainability report supplements the integrated report. Table 5.3 below summarises the sustainability reports analysed for the financial year ending 2016, which were included in the content analysis of CCID as part of research stage 1. Life Health Group Holdings Ltd did not have a sustainability report or any other similar document for the financial year ending 2016.

Table 5.3: Sustainability report details

Companies	2016 sustainability report details
Kumba Iron Ore Ltd	Sustainability report
Nedbank Group Ltd	Sustainability review, supplementary report to the integrated report
Vodacom Group Ltd	Sustainability report
Standard Bank Group Ltd	Report to society
Oceana Group Ltd	Sustainability report
Exxaro Resources Ltd	Supplementary report
Aspen Pharmacare	Sustainability data supplement
Netcare Ltd	Corporate governance report
Sappi Ltd	Sustainability report
Mondi Ltd	• Sustainable development report • Global thinking, local action – sustainable development report
Murray & Roberts Ltd	Group sustainability report
Life Healthcare Group Holdings Ltd	No report available

The qualitative analysis in research stage 1 provided an overview of the current CCI reporting practices in South Africa. The basis for including a reporting item in the CCID framework was that at least two of the 12 companies reviewed were required to have included the item in any of their reporting media analysed. While this is a relatively arbitrary approach, the view was that if a single company reported CCID in a specific manner, this was deemed a company-specific disclosure approach, and an isolated case. However, these isolated disclosure items would be reviewed against the disclosure items identified from the document analysis (see step 4, subsection 5.4.2.1(d)).

(c) Step 3: Determine the objectives of the index

The third step of Coy and Dixon's (2004) model determines the objectives of the CCID framework. Since CCI is a subset of CSR, this step follows the objectives of reporting as listed in step 1 of Coy and Dixon's (2004) model (see subsection 5.4.2.1(a)). The CCID framework was constructed following the research objectives, research questions and theoretical perspectives of the study.

(d) Step 4: Identify appropriate items for the index

The reporting level of the sector influences the identification of disclosure items. According to Coy and Dixon (2004:85), literature and theoretical perspectives contain potential disclosure items for inclusion if the reporting in a sector is not established, while with well-established reporting sectors, the suggestions and opinions of knowledgeable parties should be obtained. CCI reporting is uniquely positioned between these perspectives. Based on the lack of reporting guidance on CCI and the suggested voluntary nature of CCI reporting, this type of reporting is not well established, whereas the broader CSR notion is. A case in point is the stand-alone sustainability report, which has emerged as a meaningful corporate reporting tool for organisations.

This study accordingly incorporated literature from CSR (Branco & Rodrigues, 2008; Cowen et al., 1987; Tilt, 1994), corporate philanthropy (CECP, 2010; Gautier & Pache, 2013) and broader social and environmental accounting literature (Gray, 2010b; Gray et al., 1995a, b; Haque & Deegan, 2010; Parker, 2011). In research stage 2, the study included the opinions of experts in the field. The theoretical perspectives – as addressed in chapter 4 – were utilised to guide and inform the development of the CCID framework.

Because there is no specific CCID framework in the literature, an integral part of this research was the review of documentation relating to CCI in order to identify possible disclosure items. According to Bowen (2009:28), the analysis of documents entails "finding, selecting, appraising (making sense of), and synthesising data contained in documents". Document analysis leads to the generation of data, which includes quotations and excerpts or entire passages that are grouped into major categories or themes (Labuschagne, 2003).

Document analysis is applied to provide the background and context of a study, and creates a setting in which additional questions can be asked (Bowen, 2009:29). Documents can be analysed to corroborate evidence or verify findings from other sources. Contradictory findings require further analysis, whereas corroboratory findings improve the credibility (trustworthiness) of the findings (Bowen, 2009:30).

The advantages of document analysis outweigh the limitations. Corporate reports and organisational documents are easily accessible, because they are available in the public domain without the need to request the author's permission. This also improves cost effectiveness, because the data (documents) have already been gathered (Bowen, 2009:31). In addition, the presence of a researcher does not interfere with what is being studied because the documents are stable (Merriam, 1988). Another advantage is that it is possible to include exact disclosure items that can be extracted from verbatim levels of the documents (Yin, 2003).

By contrast, a limitation of document analysis is that the detail may be insufficient, as the documents are not produced specifically for the research, but for purposes other than the research objectives (Bowen 2009:32). When document selection is incomplete, it can lead to a "biased" selection, while in some cases, documents may be blocked, which leads to low retrievability (Yin, 2003). For this research stage, the related advantages were greater than the limitations.

The initial CCID framework was constructed by following Coy and Dixon's (2004) model to construct a disclosure index. The first four steps of the model were applied during research stage 1 of this study (see figure 5.3). The first four steps were as follows:

Step 1: Identify the objectives of reporting for the sector.

Step 2: Review contemporary reporting in the sector.

Step 3: Determine the objectives of the index.

Step 4: Identify appropriate disclosure items and report qualitative characteristics.

The initial CCID framework was constructed from a combination of contemporary reporting review (the results of the content analysis of the documents of the 12 top-performing CSR companies: see step 2 of the model) and the CCI reporting guidelines obtained from the literature, regulatory documents and theory. In order to identify appropriate disclosure items, the document analysis included a review of reporting guidance by private organisations and other non-accounting bodies, including the following: corporate social investment (CSI) consultancy organisations; the Committee Encouraging Corporate Philanthropy (CECP); the JSE's Socially Responsible Investment (SRI) Index and the GRI principles; the International Organization for

Standardization; and the International Finance Corporation (IFC) Performance Standards.

Appropriate CCID items were identified, aggregated (step 4) and then compared to the list of CCID items as generated by the results of the aforementioned content analysis review (see step 2, section 5.4.2.1(b)). Additional disclosure items were added to the list of current disclosure items or refined as required (step 4). The initial CCID framework comprised the current collated CCID guidelines and practices of top-performing companies, which set the foundation for the CCID framework.

In developing the CCID framework, this study referred to several documents released by various NGOs and research associations. Online research databases were used to find CCID documents. Searching online (the keywords being corporate community involvement-related), international research organisations and NGOs that have provided guidelines for business organisations in relation to CCI were identified. Table 5.4 (below) presents the selection of literature and organisation guidelines identified to inform the document analysis of the initial CCID framework.

Table 5.4: CCID document analysis

Source document	**Description**
CSI consultancy firm reporting guidance	
Trialogue	Trialogue is a South African CSI consultancy company, which suggests the disclosure of 13 reporting items in a company's sustainability or annual report directly related to CCI practices (Trialogue, 2013).
Next Generation	Next Generation, a South African CSI consultancy company, promotes the measurement and impact return of social and community programmes (Next Generation, 2015).
International reporting initiatives	
Committee Encouraging Corporate Philanthropy (CECP)	The CECP is a US-based committee aimed at improving an organisation's corporate giving strategies. CECP (2010) compiled a social scorecard, identifying 10 social spend and social value measures to be used in the reporting of corporate giving projects (CECP, 2010).
Global Reporting Initiative (GRI)	The GRI G4 promotes standard sustainable reporting practices (GRI, 2013:3). Reporting principles and standard disclosures included in this document provide guidelines for social disclosures, of which local community issues are presented as part of the society subcategory (GRI, 2013:9).

Table 5.4: CCID document analysis (continued)

Source document	Description
International Organization for Standardization (ISO)	The ISO is an international organisation that develops voluntary standards supporting innovation and provides solutions to global challenges. ISO26000 is the international standard for guidance on social responsibility. Community involvement and development are a core subject of this standard, containing seven CCI development issues providing guidance on CCI (ISO, 2010:v;viii).
The International Finance Corporation (IFC), World Bank Group's Performance Standards	The Performance Standards provide guidelines on financial institutions on the management of environmental and social impacts/risks. The Performance Standards focus on doing business in a sustainable way and recognise that project activities can increase community exposure to risks and impacts (IFC, 2012:1).
The United Nations, Global Compact – Principles for Social Investment (PSI)	In 2000, the UN issued the PSI, a set of voluntary principles to guide social investments. The aim of the PSI is to increase the impact and scalability of social investment contributions. The principles adopted in the PSI promote social investment contributions that are purposeful, accountable, respectful and ethical. Each principle includes operating guidance to achieve responsible social investment (Principles for Social Investment Secretariat (PSIS), 2010).
Local reporting initiatives	
JSE's SRI/ FTSE/JSE Responsible Investment Index Series	The JSE's SRI Index was launched in 2004, and its philosophy is founded on the three pillars of economic, social and environmental sustainability, which are reinforced with good corporate governance practices. The Index comprises criteria indicators against which companies are assessed (JSE, 2014). The JSE-SRI Index was discontinued in December 2015 and replaced with the FTSE/JSE Responsible Investment Index Series. FTSE Russel is a global index provider that provides the FTSE/JSE responsible investment top 30 index, where the top 30 companies are ranked according to the FTSE Russel environment, and social and governance (ESG) ratings (JSE, 2015a)

The rationale for selecting the guidelines provided by these organisations was that their organisational background indicates that they are widely acknowledged and accepted as a source of authority on issues relating to CCI and associated CSR accountabilities.[33] The basis for including a particular item in the initial CCID framework, was that at least two of the documents reviewed (as listed above) needed

[33] An overview of the literature and various media releases (see, e.g. Diouf and Boiral, 2017; Fig, 2005; JSE, 2015a; KPMG, 2013b; Sitkin. 2013; Skinner and Mersham, 2008), indicated that these organisations have a history of working with business organisations and stakeholder groups in relation to social and sustainability issues. They thus appear to have expertise in the area.

to have included the item in their particular release or guidance. Since these documents are deemed authoritative, it was assumed for the purposes of this study, that if at least two documents identified the same issue, this would be a definite sign that the issue is important in terms of CCI reporting. This approach is similar to the one adopted in a social and environmental accounting study by Haque and Deegan (2010:10). If only one document source has listed the disclosure item and a similar disclosure item has been reported by the top-performing reporters (see Appendix B), the disclosure item was included in the initial CCID framework.

Although the King Codes and IIRF do not prescribe specific requirements relating to CCID, they emphasise that the impact of businesses on the community they operate in should be accounted for. According to King III (2009:4), integrated reports should present financial results with perspective – by also reporting on “how a company has, both positively and negatively, impacted on the economic life of the community in which it operated during the year under review”. King IV (2016:45) includes community development as part of a business’s responsibility as a responsible corporate citizen. The IIRF requires reporting on relationships between the organisation and the communities (IIRC, 2013b:12). Exactly how these disclosures should be presented, however, is unknown. Hence the aim of this study was to address this shortcoming.

The initial CCID framework was discussed with six academics prior to the commencement of research stage 2. Academics from the Financial Accounting, Financial Management and Auditing Departments at South African universities were selected to review the initial CCID framework included in the interview guide. The academics were asked to comment on the completeness, accuracy, representativeness and suitability of the interview guide (see section 6.5, chapter 6, which deals with the findings of the pre-consultation process). According to Saunders et al. (2009:394), content validity ensures that interviewees have no problem understanding the questions. The pre-testing of the initial CCID framework enhanced the reliability and suitability (content and construct validity) of the interview guide, as explained in the next section.

5.4.2.2 Research stage 2: Refinement of the initial CCID framework

Research stage 2 involved investigating what experts in the field suggested companies should disclose in relation to CCI. This stage matched step 5 of Coy and Dixon's (2004) disclosure index model, namely obtaining stakeholder validation of index items. Coy and Dixon (2004:85) proposed using the opinions of knowledgeable parties when the reporting sector becomes more established.

During this stage, the initial CCID framework designed in the first research stage was refined to develop the CCID framework. The interview with CCI experts established whether the initial CCID framework included all the relevant disclosure items, and whether it would be necessary to include additional disclosure items. Any refinements or amendments to disclosure items occurred during this stage of the research. When the views of the experts who were consulted had been included, the CCID framework was finalised.

(a) Semi-structured interviews

Interviews assist with understanding real opinions, while other methods inherently have the risk of obtaining responses that are detached from the true meaning (Monfardini et al., 2013:58). A semi-structured interview is a combination of a structured and unstructured interview approach. According to Saunders et al. (2009:320), a structured interview is a questionnaire with a pre-determined set of interview questions. Unstructured interviews adopt an informal approach, and are also known as in-depth interviews. Interview questions are discussed openly and frankly, while subsequent interview questions depend on the answers provided by the interviewees (Saunders et al., 2009:320).

An advantage of semi-structured interviews is that the views and opinions expressed during the interview stem from a single source – the interviewee (DiCicco-Bloom & Crabtree, 2006). Interviews have more flexibility than standard questionnaire surveys, and afford interviewees the opportunity to express their personal views and opinions in their own words. This approach was deemed the most appropriate way to collect accurate and more detailed information relating to CCID items, because the semi-structured interview moves beyond mere "yes-no-maybe" responses and encourages elaborate and detailed answers from specific individuals (Rapley, 2004).

The semi-structured interview guide used in this study comprised the following three parts: Part 1 collected opinions on the disclosure items, part 2 contained open-ended interview questions and part 3 contained opinions on how CCID should be presented. Miller (2001:354) asserted that the presentation of predefined items guides interviewees in their responses, because they are unlikely to produce a detailed disclosure list that would be generated on the basis of a thorough literature review. A five-point Likert[34] rating scale was used to determine the importance of the CCID items. A rating of four (4) indicated that it was essential to disclose the item, while a rating of zero (0) indicated that the item should not be disclosed (Hooks, 2000; Schneider & Samkin, 2008). According to Patton (2002), this is a qualitative technique that captures the subjective opinions of respondents regarding their estimates of magnitude. The use of a Likert scale was deemed appropriate to determine the level of importance assigned to each CCID item, and this was consistent with prior social accounting studies (Barnett, 2007; De Villiers & Van Staden, 2010; Hooks, 2000; Marcia et al., 2015; Schneider & Samkin, 2008; Tilt, 1994).

The open-ended questions relating to CCID afforded the interviewees an opportunity to include other important issues they believed organisations should address in their CCI reporting. It also gave them an opportunity to elaborate on, explain or amend certain disclosure items presented in the CCID framework.

Finally, interviewees were asked to rank the items on the same five-point Likert scale in order to identify influential and useful criteria for ways to present CCID items (Beattie, 2014; Beattie, McInnes & Fearnley, 2004; Haque & Islam, 2015; Tilt, 1994:53). The presentation categories included the following:

- narrative CCID;
- quantitative CCI information, including monetary values or percentages;
- table forms;
- figures and graphs; and
- photographs.

[34] A five-point Likert scale is applied, where: 0 = should not be disclosed; 1 = should be disclosed, but is of minor importance; 2 = intermediate importance; 3 = should be disclosed and is very important; 4 = it is essential to disclose this item (Hooks, 2000; Schneider & Samkin, 2008).

The interview guide used to interview CCI experts, is included in the appendices at the end of this thesis (see Appendix H).

(b) Interviewee selection

The selection of the CCI experts was based on their knowledge of the topic and experience in the field, but also on their interest in the study (Dinius & Rogow, 1998; Kaynak & Macauley, 1984:86). Based on the review of prior literature, public documents and media releases (Altman, 2000; CECP, 2010; Clarkson, 1995; Gautier & Pache, 2013; Hossain et al., 2015; MiningCSI, 2017; Mitchell et al., 1997; Moon & Muthuri, 2006; Tilling & Tilt, 2010; Tilt, 1994; Trialogue, 2016; Tshikululu, 2016; Van der Ahee & Schulschenk, 2013; Yekini et al., 2017; Yekini et al., 2015) – the CCI experts on CCID used for this research stage, were identified from the following groups:

- *regulatory bodies* (e.g. the Institute of Directors in Southern Africa [IODSA], the JSE, and the South African Institute of Chartered Accountants [SAICA]);
- *social NGOs* – local and international (e.g. Ubuntu Education Trust, Smile Foundation, Charities Aid Foundation and Business Skills for South Africa);
- *audit and accounting professionals* (e.g. Ernst & Young, KPMG, PWC and Sizwe Ntsaluba Gobodo);
- *CSI service providers* (e.g. Trialogue, NextGeneration and Tshikululu Social Investments);
- *non-executive directors* (e.g. from the 12 top-performing CSR companies [research stage 1]);
- *the research community* (academics and researchers specialising in CSR, CCI and corporate governance); and
- *corporate managers responsible for CCI reporting* (corporate managers from the12 top-performing CSR companies [research stage 1]).

According to Monfardini et al. (2013:55), disclosures are prepared so that they can be believed. Similarly, Hines (1988) posited that organisations have the power to construct reality through what they disclose since accounts of social reality do not necessarily agree with it (Hines, 1989). Corporate managers are ultimately responsible for CCID, and accordingly deemed to be experts in CCID.

The corporate managers of the selected companies (the 12 top-performing CSR companies, see section 5.4.2.1(b)), were identified by searching for their company corporate reports and websites. If no information was available, the company was contacted to identify CCI managers responsible for reporting on the company's CCI. Interviewees were selected on the basis of their responsibilities in the firm, experience (responsible for CCID) and willingness to participate (Guest et al., 2006). Interviews were conducted with those participants with adequate expertise and competence to make a contribution to this study.

Another group included as part of the interviewee list, was non-executive directors of JSE-listed entities. Non-executive directors represent the interest of their community at board level, and are responsible for maintaining good relationships between the organisation, government and local community (Mitchell et al., 1997:877). According to Van der Laan Smith et al. (2005:127) "a stakeholder group achieves legitimacy if it has a legitimate standing in society". Non-executive directors are deemed to have legitimacy based on the roles and responsibilities imposed on them (Yekini et al., 2015). Both local and international non-profit organisations were included, as these organisations would value the elements to be presented in a CCID framework. From the identified groups, individuals who had been working on CCI-related issues in the respective organisations were invited to participate. The individuals' responsibilities, position and contact details were obtained from organisations' websites (see Appendix G for the interviewee list).

(c) Data collection

Ethical clearance was obtained from the University before any interview was arranged (see Appendix E for ethical clearance certificate). The interview process informed, refined and validated the CCID framework. A list of 42 potential participants was compiled, and they were all invited telephonically or/and via email to participate (see Appendix F for the invitation letter). The contact details of the interviewees were accessed from their employer's website or related company directory.

An invitation email (covering letter) was first sent to the potential participants, and this was followed by a courtesy call to confirm their availability. The email explained the purpose and nature of the research (see Appendix F). The interview guide containing the initial CCID framework and the consent form[35] was attached to the invitation email, to enable the participants to familiarise themselves with the research project before participating. The duration of the interviews was 45 to 60 minutes, and they took place at a time and location chosen by the participants (generally the manager's workplace) over a period of two months. Face-to-face, telephonic, email and/or Skype-call interview options were discussed with interviewees, while the interview outcome depended on the interviewee's preference.

The interview commenced by providing background information on the research project and research objectives. The interview questions were taken from the interview guide, which was compiled to lead the interview and was based on questions derived from the social and environment literature (Haque et al., 2011; Hossain et al., 2015). The interview guide is included in Appendix H. Telephonic interviews were conducted in accordance with the guidance provided by Farooq and De Villiers (2017). Farooq and De Villiers (2017:24) suggested strategies for qualitative telephonic interviews, which include actions before, during and after the interview (see Appendix I for the application thereof in this study). All of the interviews were recorded, and the open-ended questions were transcribed with the respondents' permission. The interviewer encouraged freedom of expression and refrained from interrupting the interviewees.

(d) Validation of the CCID framework

Subsequent to the refinement process (see chapter 7 for the findings thereof), follow-up interviews were held to validate the refined CCID framework. According to Saunders et al. (2009:603), validity relates to the capacity of the instrument to assess what it proposes to assess. In addition to the validity measures included as part of research stages 1 and 2, this final step ensured that the CCID framework accurately presents what it is intended to present. Creswell (2014:251) argued that validity is obtained when the accuracy of the research findings is confirmed. In this study, multiple approaches were implemented to ensure the validity of the research findings. Following the work of Creswell (2014:251), in research stage 1 (see section 5.4.2.1) different data sources were examined to build a coherent justification for the initial CCID framework and research stage 2 included the review of different perspectives

[35] The Unisa College of Accounting Science's Research Ethical Committee requires that an informed consent form should be given to the participants from whom data will be collected.

through the interviews held with the CCI experts (triangulation). As part of research stage two a “check and balance” approach was adopted to refine and incorporate the comments on existing CCID items and additional CCID items through the interviews held with CCI experts (see section 7.3.4 for the analysis of findings). These final follow-up interviews ensured that the refined CCID framework accurately reflected the required CCID items, as the participants expressed their opinion on the accuracy of the final instrument (for information on member-checking, see Creswell, 2014:251).

All participants were contacted via email communication (see Appendix K), which was followed up with a reminder email two weeks later. The majority of the interviews were conducted telephonically and over Skype, while three of the participants completed the interview questions in their own time after a brief telephonic discussion, and returned the questionnaire via email. A total of nine responses were obtained and the findings thereof are discussed in chapter 7 (see section 7.3.4).

The validation of the CCID framework provided further richness of data to inform the research question relating to the limitations of CCI reporting practices in South Africa. The next section presents the research method relating to research stage 3, the application of the CCID framework.

5.4.2.3 Research stage 3: Application of the CCID framework

Research stage 3 addressed step 6, namely “crafting and testing the index” in Coy and Dixon’s (2004) model (see figure 5.3). During this stage, the constructed CCID framework was tested on a sample of 116 documents from 20 JSE-listed companies for a three-year period (2015 to 2017). The integrated reports, sustainability reports and corporate webpages of the 10 largest companies in the Basic Materials and Financials industries of the JSE were selected. The sample selection process was discussed in section 5.4.1.4 above. This section focuses on the content analysis to measure the nature, extent and quality of CCID in the Basic Materials and Financials industries.

This research stage answered the first of the following research questions as formulated in chapter 1 (section 1.5):

- What is the current nature, extent and quality of CCID made by JSE-listed companies?
- How are the information needs of stakeholders currently being met?
- What are the current limitations on CCI reporting in South Africa?

(a) Content analysis

Content analysis is a data collection technique that involves the codification of qualitative and quantitative information into pre-defined categories to establish reporting trends and patterns in presentation (Guthrie & Abeysekara, 2006; Guthrie et al., 2004:287; Weber, 1990). It is a qualitative method that quantifies data (codification of the content) into several categories according to specified criteria (Beattie & Thomson, 2007; Campbell & Abdul Rahman, 2010; Weber, 1990) (also see section 5.4.2.1(b)). Milne and Adler (1999) argued that the use of a coding instrument ensures that the content analysis output is reliable. The coding instrument should contain well-specified decision rules and coding categories, which ensures that the analysis is replicable (Guthrie & Abeysekara, 2006; Hackston & Milne, 1996:84).

The following steps were taken to develop the coding scheme for research stage 3 (Weber, 1990:21–24):

1) Define the unit of measurement (in this study the sentence count was used as the unit of measurement, and justification for this is discussed in subsection 5.4.2.1(b)).
2) Define the categories (the constructed CCID framework was applied in this research stage).
3) Apply test coding to a sample of text (pilot review).
4) Assess the reliability (pilot review).
5) Revise the coding rules.
6) Repeat steps 3 to 5, until reliability is satisfactory.
7) Code all the text.
8) Assess the achieved reliability.

The decision rules for this research stage during the pilot review followed the decision rules applied in research stage 1 (see table 6.3, section 6.3.1). To increase the objectivity of coding, the use of multiple coders is advised (Guthrie et al., 2004:289;

Hackston & Milne, 1996; Milne & Adler, 1999:238). According to Milne and Adler (1999:239), the use of a well-specified coding instrument results in a reliable analysis with few discrepancies. To confirm the reliability of the data in this research stage, a well-specified coding/interrogation instrument (CCID framework), together with the use of an additional coder, was applied.

A structured content analysis approach is used during this research stage (Mayring, 2004). This approach seeks to "filter out particular aspects of the material … or to assess the material according to particular criteria" (Mayring, 2004:269). The content analysis specifically focuses on CCID that were analysed according to specified criteria (see table 6.3, section 6.3.1). Therefore, not all information contained in the corporate reports and webpages was analysed and coded, but only the disclosures that were determined beforehand by the decision rules. The unit of measurement to determine the extent (volume) and quality of CCID in corporate reports is discussed below.

(i) Volume measurement

According to Krippendorff (2013), the importance of information is assumed to be reflected in the extent of the information disclosed. To determine the extent of CCID presented by the sample of companies, the unit of measurement and coding instruments were considered. Subsection 5.4.2.1(b) (above) explains the rationale for using the sentence count as the unit of measurement.

When considering how to capture data, the social accounting literature generally applies one of two approaches, that is, the number of disclosures relating to a specific issue or the amount/extent of the disclosures (Cowen et al., 1987; Deegan & Gordon, 1996; Gray et al., 1995a; Hackston & Milne, 1996). When measuring the extent of the disclosures, the number of words or sentences is captured, whereas the focus of measuring the number of disclosures relates to the presence or absence of a specific disclosure item. If the disclosure item is disclosed, it is usually given a score of 1, or otherwise 0 (Haque & Deegan, 2010; Schneider & Samkin, 2008).

In this study, a combination of these approaches was used, because the CCID framework was used to identify specific disclosure items, and the extent (number of sentences) for each disclosure item was measured.

(ii) Quality measurement

According to Toms (2002), investigating only the volume of disclosures is potentially misleading when the credibility or quality of disclosures is important. The true meaning and significance of the disclosure is expressed through the quality of the information presented (Freedman & Stagliano, 1992, 1995). Yekini and Jallow (2012:20) found that most CCID in their study related to general statements and not to specific details of a project or the achievements thereof.

Disclosure "quality" can be defined in various ways (Deegan & Gordon, 1996; Gray et al., 1995a; Guthrie & Parker, 1990; Guthrie et al., 2004; Hackston & Milne, 1996) – suggesting that it is a context-sensitive, complex and multi-faceted concept to define (Beattie et al., 2004:227,230). Quality measures use a numerical basis, which provides a systematic approach to objectively compare the content of social disclosures (Walden & Schwartz, 1997). Wallace and Naser (1995) argued that information quality refers to the extensiveness and degree of explicitly provided, which creates a sense that all-important information has been disclosed.

A disclosure index can be used to measure disclosure quality, following a nominal/ dichotomous score (0 for no disclosure, or 1 for disclosure), and the higher the disclosure score, the higher the quality will be (Beattie et al., 2004:210). However, the literature suggests that quality also depends on location, specificity and substance, rather than the number of disclosures presented (Hasseldine et al., 2005). Marston and Shrives (1991:195) suggested that a disclosure index score can measure the extent of disclosures, but not necessarily the quality thereof. However, disclosure index items can also be weighted to absorb the importance assigned to some disclosure items but not to others (Hasseldine et al., 2005). Even though a disclosure index inevitably involves subjective judgement, it will continue to be used, as long as company disclosures are the focus of research (Marston & Shrives, 1991:207,208).

Disclosure quality can be measured in terms of general quality dimensions and specific quality dimensions (Soobaroyen & Ntim, 2013:100). Following the social and environmental accounting (SEA) literature, general quality measures include declarative (vague and general statements), quantitative (non-monetary), monetary (financial) and/or a combination thereof (De Villiers & Van Staden, 2006; Hackston & Milne, 1996; Mahadeo et al., 2011). By contrast, specific quality measurement involves the use of a disclosure index (Soobaroyen & Ntim, 2013:100). This study applied the quality criteria of Schneider and Samkin (2008:470) to score CCID framework items. This assessment was adapted from Shareef (2003) and Firer and Williams (2005).

The use of a quality criteria score, together with a disclosure index, presents a more sophisticated approach to assess the quality of information disclosed in comparison to a nominal/dichotomous scale. This is because the quality criteria scoring allocates weightings for the importance of each disclosure item (Schneider & Samkin, 2008:266; Wallace & Naser, 1995; Wiseman, 1982). The CCID framework was developed in collaboration with a panel of CCI experts, who identified the relative importance of each CCID item (see research stage 2). Although the CCI experts were not involved in the initial selection process of the CCID items, they were requested to add any disclosure items to the CCID framework that they felt should be included in the corporate reports of JSE-listed entities. The CCI experts were also asked to assign an importance rating to any additional item they included (see section 7.3.2, chapter 7).

Table 5.5: Quality criteria for CCID scoring

Quality score		Quality criteria
5	Quantitative/monetary and descriptive	The disclosure item is clearly defined in monetary or actual physical quantities and descriptive statements are made.
4	Quantitative/monetary	The disclosure item is clearly defined in monetary or actual physical quantities.
3	Descriptive	The disclosure item is descriptively discussed.
2	Obscure	The disclosure item is discussed in limited references or value comments while discussing other topics and themes.
1	Immaterial	The entity states that the disclosure item is immaterial to the financial well-being and results of the entity.
0	Non-disclosure	The disclosure item does not appear in the corporate reports.

Source: Adapted from Schneider and Samkin (2008:470)

Because some items in the CCID framework were descriptive, it was not possible to assign a quantitative or monetary value to them. For these items, a maximum score of 3 was allocated, according to the criteria mentioned in table 5.5. The following items were allocated a maximum quality score of 3: CCID items 1. business rationale for CCI; 3.1 and 3.2 structural responsibility; 4. CCI policy/approach; 5. CCI and business approach; 7. CCI and sustainability; 8. CCI and social needs; 10. relationships with community stakeholder groups; 16.1 qualitative description of all major CCI projects; 16.3 nature of CCI projects; 16.4 geographic location of CCI projects; 16.5 CCI project beneficiaries; 16.6 CCI project status; 22. CCI benefits; 24. assurance; 25. actuality of CCI; 26. to 29. corporate webpage reporting additions. The CCID framework is presented in section 7.4.

Yekini and Jallow (2012:13) developed and applied a total quality score to measure the quality of CCID. However, this was not adopted in this study, because the scoring index assumes that disclosure quality is higher when the company engages in widespread CCI activities. This is not necessarily accurate, because quality disclosures can also be presented when companies focus on one or two of the CCI categories.

(iii) Pilot review: Research stage 3

The pilot review, followed the steps of Weber (1990:21-24) to ensure the reliability of the coding scheme for research stage 3 (see 5.4.2.3(a)). The decision rules following research stage 1 (table 6.3, section 6.3.1) were applied in the pilot review for research stage 3 and the CCID framework as developed during research stages 1 and 2 (see table 7.13, section 7.4) was applied as the pre-defined categories to this deductive content analysis stage. Hence, the pilot review for research stage 3 was dependent on the results of both research stages 1 and 2.

The researcher trained one additional coder in the use of the CAQDAS, ATLAS.ti version 8.2.29.0 for systematic and integrated analysis (Friese, 2014). Training was provided through the co-coding of an integrated and sustainability report of a Basic Materials company. The specific company that was selected provided extensive CCID in comparison with the other companies. The 2014[36] integrated report of Anglo American Platinum Limited contained 36 codes, while on average, the integrated report of the first 10 companies contained 31 codes. A corporate report with extensive CCID was specifically selected for training purposes to ensure that an array of CCID

[36] The 2014 integrated and sustainability report of Anglo American Platinum Limited was used for training purposes, because at the time of training, the sample period of review was 2014 to 2016. This review period was subsequently amended to 2015 to 2017 when it became apparent that all reports for the 2017 financial year could be collected. The review of 2015 to 2017 allowed for a more recent analysis than the 2014 to 2016 review.

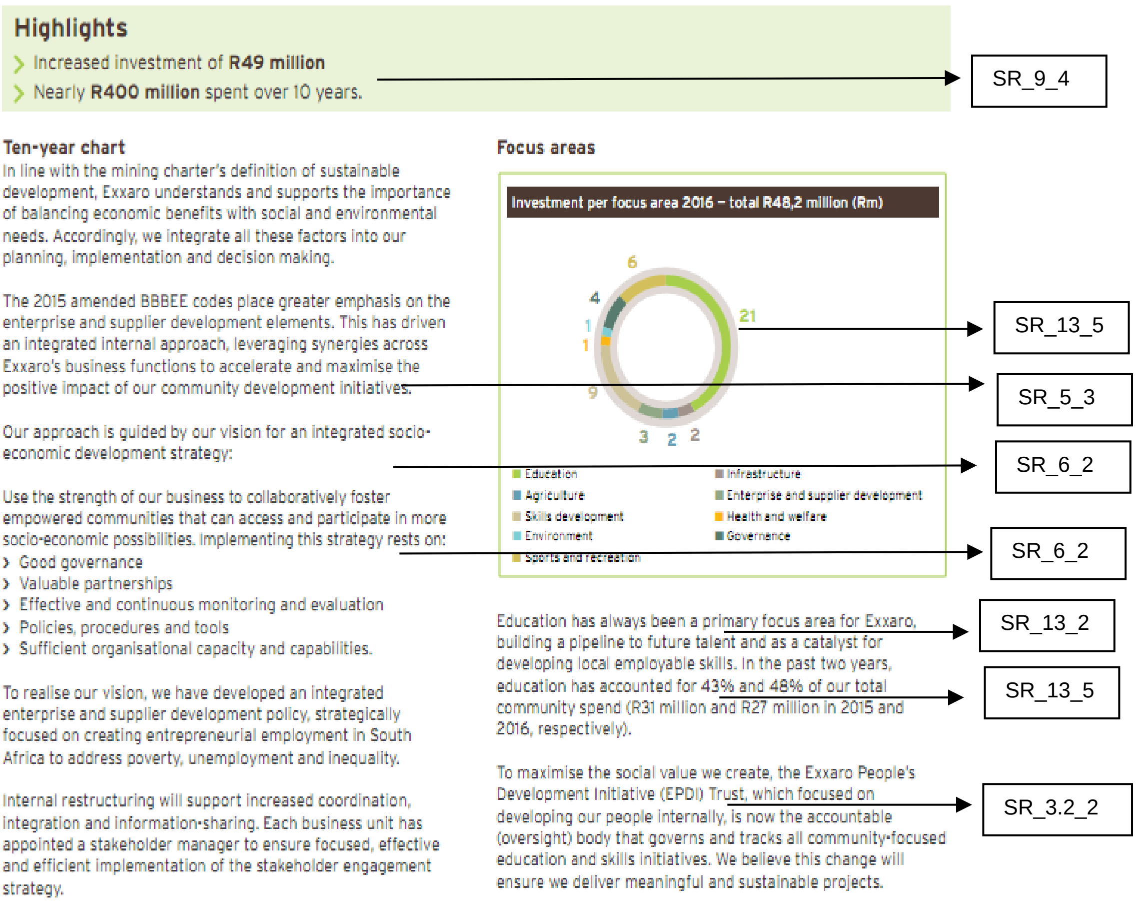
items was identified, explained and discussed during the training process. The training process included a discussion of the applicable disclosure items according to the CCID framework (see section 7.4), as well as an assessment of disclosure quality according to the quality rating scale (see table 5.5). Thereafter, the coders independently coded two sustainability reports with extensive CCID (Anglo American Platinum Limited). The results were transferred to MS Excel, which were reviewed, compared and discussed as part of the training process. The sustainability report of Anglo American Platinum Limited contained 133 codes for the 2014 financial year and 233 codes for the 2015 financial year, while on average, the first 10 companies' sustainability reports contained only 104 codes. The training process took three days to complete.

After the training process, the coders independently coded the integrated and sustainability reports of the sample of companies selected (research stage 3, sample of companies, see table 5.2). In accordance with the suggestion of Hayes and Krippendorff (2007:79), from the first reports coded, an integrated report and a sustainability report were randomly selected. The codes of these reports were transferred and recorded in MS Excel under coder A and B. These codes and quotations were compared to measure the degree of consensus and to identify any deviation between coders. The reproducibility of the coding was assessed by calculating Krippendorff's alpha in a Statistical Package for the Social Sciences (SPSS)[37].

Krippendorff's alpha is able to generalise across different scales of measurement (nominal, ordinal, interval, ratio, etc.); with or without missing data; using any number of coders; and over large or small sample sizes (Boesso & Kumar, 2007; Hayes & Krippendorff, 2007:78; Joyce, 2013). The acceptable level of inter-coder reliability of Krippendorff's alpha is set at $\alpha \geq 0.800$ (Boesso & Kumar, 2007; Joyce, 2013; Krippendorff, 2013; Md Zaini, 2017; Milne & Adler, 1999), while tentative conclusions can still be accepted at the lowest conceivable limit of $\alpha \geq 0.667$ (Krippendorff, 2013:241).

[37] SPSS is a software package used for statistical analysis. The KALPHA macro was used to compute Krippendorff's alpha reliability estimate for subjective judgements made (see Hayes & Krippendorff, 2007). In accordance with the suggestion of Hayes and Krippendorff (2007), the bootstrap sample was set at 10 000 for all tests, because the larger the number of bootstrap sampling tests, the more accurate the inferential statistics are, despite the increase in the computation time.

Figure 5.4 provides an example of the coding of sentences according to the decision rules and the application of the CCID framework. The highlighted sentences were coded in ATLAS.ti. On completion of the coding, all of the codes were exported to a MS Excel document, to determine both the quantitative and qualitative frequency with which an item appeared in the sample.


Highlights

- Increased investment of **R49 million**
- Nearly **R400 million** spent over 10 years.

Ten-year chart

In line with the mining charter's definition of sustainable development, Exxaro understands and supports the importance of balancing economic benefits with social and environmental needs. Accordingly, we integrate all these factors into our planning, implementation and decision making.

The 2015 amended BBBEE codes place greater emphasis on the enterprise and supplier development elements. This has driven an integrated internal approach, leveraging synergies across Exxaro's business functions to accelerate and maximise the positive impact of our community development initiatives.

Our approach is guided by our vision for an integrated socio-economic development strategy:

Use the strength of our business to collaboratively foster empowered communities that can access and participate in more socio-economic possibilities. Implementing this strategy rests on:

- Good governance
- Valuable partnerships
- Effective and continuous monitoring and evaluation
- Policies, procedures and tools
- Sufficient organisational capacity and capabilities.

To realise our vision, we have developed an integrated enterprise and supplier development policy, strategically focused on creating entrepreneurial employment in South Africa to address poverty, unemployment and inequality.

Internal restructuring will support increased coordination, integration and information-sharing. Each business unit has appointed a stakeholder manager to ensure focused, effective and efficient implementation of the stakeholder engagement strategy.

Focus areas

Education has always been a primary focus area for Exxaro, building a pipeline to future talent and as a catalyst for developing local employable skills. In the past two years, education has accounted for 43% and 48% of our total community spend (R31 million and R27 million in 2015 and 2016, respectively).

To maximise the social value we create, the Exxaro People's Development Initiative (EPDI) Trust, which focused on developing our people internally, is now the accountable (oversight) body that governs and tracks all community-focused education and skills initiatives. We believe this change will ensure we deliver meaningful and sustainable projects.

Figure 5.4: An example to demonstrate the technique used for coding in this study

Source: Extract from Exxaro Resources Limited (2016a:47)

In figure 5.4, the sentence coding of CCID according to the decision rules (see table 5.8 below), application of the CCID framework (section 7.4) and the quality criteria for CCID scoring (table 5.5) are explained by means of the following examples:

Example 1:
SR_9_4: The sustainability report contains a sentence relating to disclosure item 9, according to the CCID framework (table 7.13), and that sentence obtained a quality rating of 4, according to the quality criteria for CCID scoring (table 5.5) applied in this research stage. The CCID framework item 9 relates to the following: "*Provides an overview of the organisation's CCI expenditure over the last few years (any significant events or highlights)*", and the quality of the information provided is rated as a 4, which mainly relates to quantitative or monetary disclosures because the disclosure item is "*clearly defined in monetary or actual physical quantities*", according to the quality criteria for CCID scoring (table 5.5).

Example 2:
However, SR_13_5 can be explained as the sustainability report containing a sentence relating to disclosure item 13, according to the CCID framework (table 7.13), and that sentence obtained a quality rating of 5 according to the quality criteria for CCID scoring (table 5.5) applied in this research stage. The CCID framework item 13 relates to the following: "*Provides percentage/monetary breakdown of annual CCI expenditure for each category*", and the quality of the information provided is rated as a 5, which mainly relates to a quantitative and descriptive disclosure item as the disclosure item *"is clearly defined in monetary or actual physical quantities and descriptive statements are made*", according to the quality criteria for CCID scoring (see table 5.5).

Table 5.6 shows the results for the two coders' first round of reliability testing. The table indicates the level of inter-coder reliability (agreement) with an overall Krippendorff alpha calculated for all codes. The agreement level of the CCID coding in the integrated report met the acceptable level of α ≥ 0.800 for this study. Although a high agreement level was obtained for both reports, the sustainability report was just below the acceptable level of inter-coder reliability, which was set at α ≥ 0.800 for this study.

Table 5.6: First round of pilot review using Krippendorff's alpha

Corporate report	**Company**	**Krippendorff's alpha**
Integrated report	Anglo American Platinum 2015	0.8705
Sustainability report	Kumba Iron Ore 2016	0.7910

In the accounting-related literature, researchers have acknowledged the issue of different interpretations in content analysis (Guthrie et al., 2004; Md Zaini, 2017; Unerman, 2000). During the pilot review, both coders identified a number of coding challenges. Table 5.7 lists the identified challenges and how they were addressed. Table 5.8 presents the final decision rules for research stage 3, as amended after the coding challenges had been identified.

Table 5.7: Research stage 3 coding challenges

#	Coding challenges	Challenges addressed
1	Difficulties pertain to the coding of CCID photographs with or without descriptions.	The pilot study decision rules were amended to include guidance on the coding of CCID photographs (see table 5.8, general decision rules for the amended decision rules for research stage 3).
2	Difficulties pertain to the applicability of the general decision rule, "*More than one possible code can apply for each sentence*", which followed the decision rules for research stage 1 (see section 6.3.1).	The pilot study decision rules were amended to "Only one code applicable for each sentence, except for disclosure item #16.1 – 16.7 where more than one code can be applicable" (see table 5.8, general decision rules for the amended decision rules for research stage 3).
3	Difficulties relate to the identification of general CCID items which cannot explicitly be coded according to the CCID framework.	The research stage 3 pilot study decision rules were amended as follows: a) The coding of general CCID items, for example, a sentence from the Northam IR 2015:98 states: "*Northam recognises its responsibility to contribute to local communities, providing project and infrastructural support in pursuit of socioeconomic upliftment"*, should be coded as IR/SR/CW_general statement. Hence general CCID items were coded, recorded and not omitted from the study. The guidance provided by De Villiers and Van Staden (2006), Mahadeo et al. (2011) and Soobaroyen and Ntim (2013) on general CSR was adopted (see section 5.4.2.3(a)(ii)). b) CCID items that refer to a cross-referenced section will be coded in the cross-referenced section only and the cross-reference will not be coded. See table 5.8 for the amended decision rules for research stage 3.

Table 5.8: Research stage 3 decision rules for content analysis (final)

Decision rules: CCID framework application	
No.	**Description**
1.	Sentence count of any statement where any item in the CCID framework is mentioned (CCID framework: see section 7.4)
2.	**General decision rules:** • All disclosures must be specifically stated; they cannot be implied. • Only one code is applicable for each sentence, except for disclosure item #16.1 – 16.7, where more than one code may apply. • Tables (monetary and non-monetary that provide information relating to the CCID framework are coded). • Listed disclosures (e.g. bullet points listing items), which provide information relating to CCI activities according to the CCID framework, are coded (as this is centred on one idea/for a single purpose). However, full sentences/paragraphs are discussed in bullet-point format, and each sentence classified accordingly. • Any disclosure that is repeated within the same report or between the different reporting media shall be recorded as a CCID item each time it is disclosed. • Photographs relating to CCID should be coded for each photograph provided. • A CCID item that refers to a general CCID description should be coded as a "general statement".
3.	**Inclusions:** • All CCI-related tables, graphs, figures and photographs. • All community sponsorship activities according to the CCID framework, no matter how much of it is advertising. • Specific HIV/water management disclosures are only coded if company support towards the community is apparent. • Affinity/corporate matching relating to CCI activities according to the CCID framework.
4.	**Exclusions:** • Innovative business practices (income-generating activities) relating to products or services that impact the communities positively, does not meet the CCI definition, and these activities are not coded. • Regulatory environmental rehabilitation activities, which are regulated through environmental legislations. • Cross-referenced CCID sections.
5.	**CCI terminology applied:** • Corporate community involvement • Community spend • Socio-economic development • CED spend/expenditure • Community engagement • Corporate social investment • Community development • Corporate social responsibility • Community investment

The amended decision rules were effective for the remainder of the coding process, and all previously coded reports were amended according to the amended decision rules (table 5.8). A randomly selected sustainability report was chosen to determine the inter-coder reliability (agreement) between the coders following the implementation of the final decision rules (table 5.8). Table 5.9 indicates the agreement level of the CCID coding in the 2016 sustainability report of Exxaro Resources Limited, which met the acceptable level of α ≥ 0.800 for this study.

Table 5.9: Second round of pilot review using Krippendorff's alpha

Corporate report	Company	Krippendorff's alpha
Sustainability report	Exxaro Resources Limited 2016	0.9852

The results of the inter-coder reliability tests (agreement), according to Krippendorff's alpha (tables 5.6 and 5.9), provided sufficient evidence that the coding scheme which included the final coding decision rules (table 5.8) and the CCID framework (table 7.13) increased the reliability of the coding process.

The next section provides a summary and conclusion of the chapter.

5.5 SUMMARY AND CONCLUSION

This chapter dealt with the research methodology and method adopted for this study. The choice of the most appropriate research technique and approach used for the research was justified. Details of the research method and design – which included the research strategy and different research stages – were provided.

Justification was provided for a pragmatic philosophical approach with the use of a mixed-methods approach. The reliance placed on qualitative work was clarified because the aim of this approach was to achieve the research objective of this study in the best possible way. As explained in chapter 1, the research objective was to develop a disclosure framework to guide CCI reporting in South Africa, while the research questions were aimed at developing a CCID framework to measure the extent and quality of CCI reporting and to determine the CCI information and criteria required by stakeholders and how these criteria are met. Coy and Dixon's (2004) model on how to construct a disclosure index was applied in this study in order to guide the development of the CCID framework.

The study comprised three research stages, which commenced with the development of an initial CCID framework. The initial framework formed the basis of the final CCID framework. The initial framework was constructed by means of a content analysis of the 12 top-performing CSR reports, as well as a document analysis, which further informed the initial CCID framework. A purposive sampling technique was applied to select the top-performing companies listed on the JSE. It was argued that the most practical and best possible input could be obtained through the inclusion of both integrated and sustainability reports, in order to provide a holistic overview of the current state of CCID. The inclusion of both these sources, in addition to corporate webpages, provided a comprehensive picture of CCID. The selection criteria were based on the extant literature, as well as local social and economic factors that influence CCID.

In research stage 2, the initial framework was refined, by including CCI expert opinions in the initial CCID framework. Semi-structured interviews were held with 30 CCI experts, which included corporate managers, stakeholders and specialists in the field. Firstly, the opinions on the importance of the CCID items, as included in the initial framework, were solicited and discussed. Secondly, the open-ended questions expanded on the CCI reporting items included in the framework and provided the context of CCI reporting in South Africa. Subsequent to the refinement process, follow-up interviews were held with the interviewees to validate the CCID framework.

The third research stage applied the developed CCID framework to a sample of JSE-listed entities. This stage determined the current extent and quality of CCID reporting in South Africa. A sample of 116 corporate reports were analysed from JSE-listed companies in the Basic Materials and Financials industries from 2015 until 2017. These industries were selected on the basis of their commitment to CCI and the large CSI contributions they have made (MiningCSI, 2017; South African Reserve Bank, 2017; Trialogue, 2016). The integrated and sustainability reports as well as the corporate webpages were analysed. The quality criteria of Schneider and Samkin (2008) were adopted to score the CCID framework items, as a quality criteria scoring allocates weightings for the importance of each disclosure item. The quality of each CCID item was compared to the relative importance of each CCID item (as determined by the panel of CCI experts in research stage 2), in order to determine how stakeholder requirements were met.

The next three chapters focus on the data analysis and findings relating to each of the three research stages explained in this chapter. The findings for each research stage are discussed separately in the relevant chapters that follow. A discussion of the results is presented sequentially in order to meet the research objective of the study.

CHAPTER 6

THE DEVELOPMENT OF THE INITIAL CCID FRAMEWORK

6.1 INTRODUCTION

This chapter discusses the results of the development of the initial CCID framework (research stage 1). In so doing, it answers the first research question, namely "What is the current state of best practice CCI reporting in South Africa" (see section 1.5).

The guidance provided by Coy and Dixon (2004) on how to construct a disclosure index informed the development of the initial CCID framework. Coy (1995:121) defined a disclosure index as "a qualitative-based instrument designed to measure a series of items which, when the scores for the items are aggregated, gives a surrogate score indicative of the level of disclosure in the specific context for which the index was devised". Figure 6.1 depicts the three steps that were followed in the development of the initial CCID framework, and the findings of each step are discussed in this chapter. The main result of this chapter was the development of the initial CCID framework, comprising 31 specific disclosure items categorised under nine general categories. Based on the adopted research approach, the framework reflects the current state of best practice CCI reporting in South Africa.

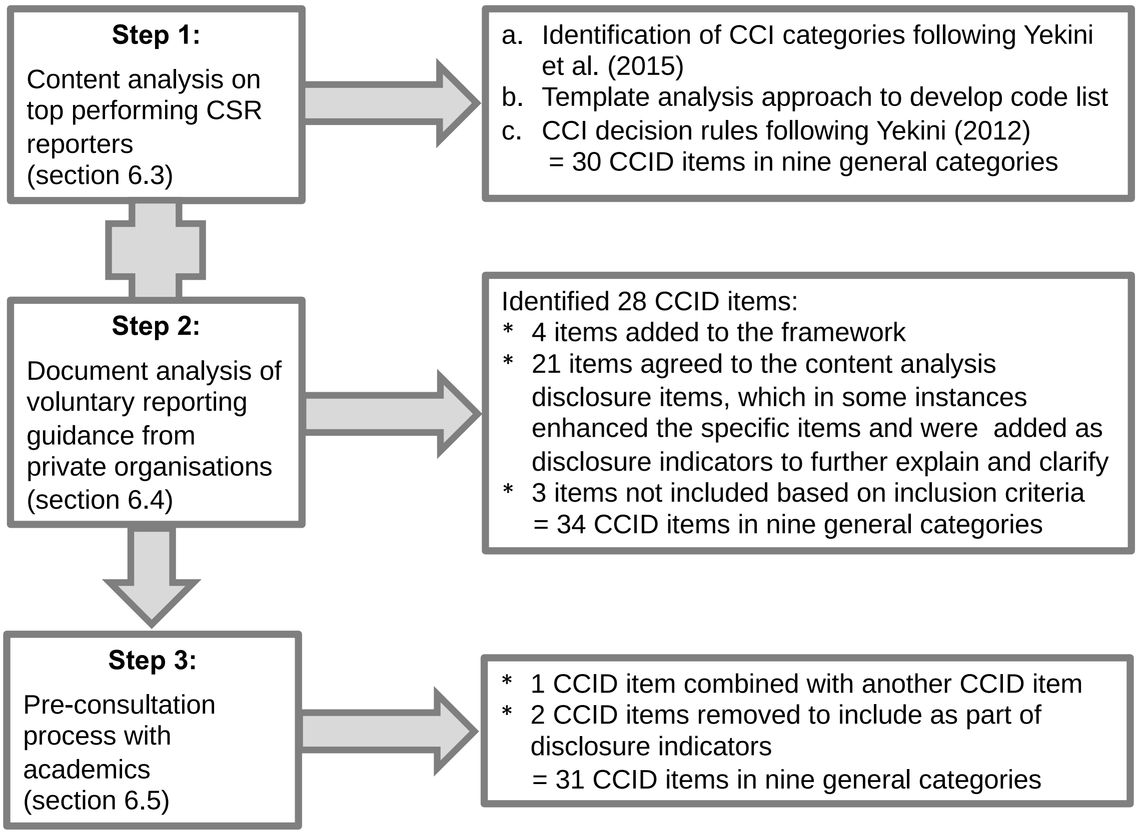


Figure 6.1: The development of the initial CCID framework

This chapter commences with an overview of the research approach adopted in research stage 1 (section 6.2). The overview aligns the guidance of Coy and Dixon (2004) with the research approach, as set out in section 5.4.2.1 in chapter 5. As indicated in figure 6.1, the results of the first step, the content analysis of the top-performing CSR reporters, is discussed in section 6.3. This step builds on previous voluntary disclosure literature (see chapters 2 and 3), which informs and guides the development of disclosure indices and the identification of CCI categories. The template analysis approach guides the inductive and deductive analysis of data (King, 2004), which during this first step, created the code list (template) from the data. CCID items were identified in a sample of top-performing CSR reporters listed on the JSE for the 2016 financial period.

In addition to the analysis to identify the disclosure items for the initial CCID framework, in section 6.3, pertinent factors that emerged from the analysis are discussed. These factors include the specific use of CCI terminology in South Africa, based on previous research on this matter (see section 3.3, chapter 3). The differences between the various corporate reporting mediums were analysed following previous research, which investigated CSR reporting in different settings (see sections 2.4 and 5.4.1.3), and the integration of CCI as part of the business operations of organisations, following the discussion relating to the “altruistic” notion associated with CCI (see sections 2.5 and 5.4.2.1).

As indicated in figure 6.1, in step 2, the list of CCID items as identified in the content analysis was completed, verified and enhanced by means of the document analysis in order to construct the initial CCID framework. The document analysis included a review of reporting guidance by private organisations and other non-accounting bodies in order to identify appropriate disclosure items. The findings relating to the document analysis are discussed in section 6.4. Accordingly, the initial CCID framework comprised the current collated CCID guidelines and practices of top-performing companies, which laid the foundation for the development of the CCID framework.

As part of the completion of the initial CCID framework, a pre-consultation process involving an academic panel reviewed the initial CCID framework (see figure 6.1, step 3). The findings of the pre-consultation process are discussed in section 6.5. The pre-consultation process enhanced the initial CCID framework and provided a sense of clarity before the refinement of the framework in research stage 2. The main outcome of this chapter is the initial CCID framework, which is presented in section 6.6.

6.2 RESEARCH APPROACH FOR RESEARCH STAGE 1: THE INITIAL CCID FRAMEWORK

As explained in section 5.4.2.1 in chapter 5, Coy and Dixon’s (2004) model to construct a disclosure index was adopted for the development of the CCID framework.

Figure 6.2 indicates how the first four steps of the model pertain to the development of the initial CCID framework, research stage 1:

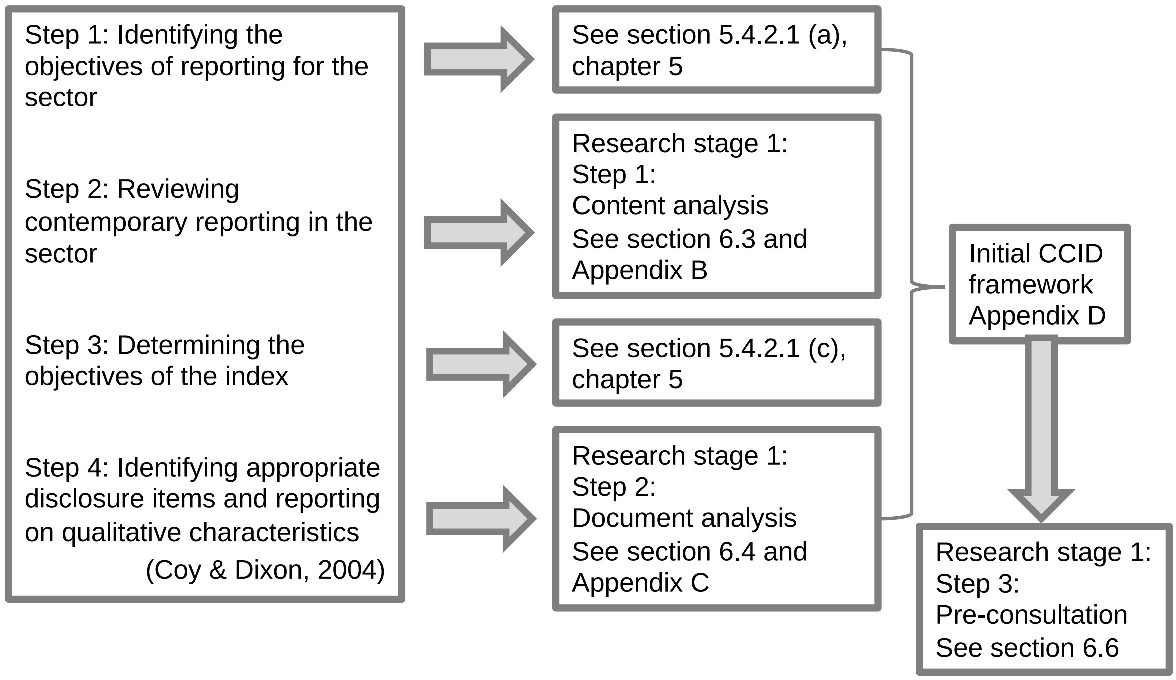


Figure 6.2: The development of the initial CCID framework aligned with Coy and Dixon's (2004) model

The initial CCID framework was developed by combining two sources. Firstly, a content analysis of the top-performing CSR companies was conducted to review the contemporary reporting in the sector, and secondly, a document analysis identified appropriate disclosure items and reporting on qualitative characteristics. In South Africa, the objectives of the index and reporting for the sector are aligned with the requirements of the King Codes and IIRF (see chapter 5). The notion of accountability in stakeholder theory informed the development of the CCID framework (see chapter 4). According to Weber (1990), disclosure index development follows the general principles of content (or thematic) analysis. The integrated reports, sustainability reports and corporate webpages of a sample of 12 top-performing CSR reporters for the 2016 financial period were analysed in step 1. The available voluntary reporting guidance from private organisations and other non-accounting bodies at the time of the study was analysed (see sections 5.4.1.4 and 5.4.2.1). The findings of the content analysis are discussed in the next section.

6.3 FINDINGS RELATING TO THE CONTENT ANALYSIS OF THE TOP-PERFORMING CSR REPORTERS

This section consists of two main subsections. The first describes and presents the results of the pilot review, which formed the basis for the identification of the CCID items applicable to the initial CCID framework. The previous voluntary disclosure literature (see chapters 2 and 3) informed the identification of CCI categories and CCID decision rules adopted as part of research stage 1. The second subsection discusses the results and findings of the content analysis, which followed the coding instrument considered during the pilot review. In addition to the identification of CCID items, the subsection discusses pertinent factors relating to CCI reporting in South Africa that emerged from the content analysis.

The content analysis results provide a quantitative description of qualitative CCID. A list of 30 CCID items categorised in nine general categories was identified during the first step, the content analysis of top-performing CSR reporters. Appendix B contains the code list and definitions, the categorisation of the code list and the summary of the general and specific CCID items identified in the top-performing CSR companies. The tables in Appendix B demonstrate how the code list (template) was constructed and developed by means of the content analysis of top-performing CSR reporters (research stage 1).

6.3.1 Pilot review for research stage 1 content analysis

The purpose of the pilot review of the content analysis was to ensure that the coding instrument that was adopted resulted in the reliable analysis of data. The coding instrument included the CCI category list, the coding list (template) and the coding decision rules. The pilot review consisted of four companies (eight corporate reports) that were used to test the coding instrument.

Table 6.1 indicates the CCI categories that were used to identify CCID in the sample of corporate reports in research stage 1. The CCI categories followed the category list of Yekini et al. (2015:264), which corroborated previous voluntary disclosure studies (Campbell et al., 2006; Cowen et al., 1987; Hackston & Milne, 1996; Patten, 1995; Soobaroyen & Mahadeo, 2016; Uyan-Atay, 2010), as discussed in section 5.4.2.1 (b).

Table 6.1: Corporate community involvement categories

Community activities:
• Donations of cash, products or employee services to support established community events, programmes and activities • Donation of premises or office equipment for community programmes • Investing in local employment and infrastructure • Investing in local basic needs (e.g. food, clothes) • Investing in skills and enterprise development for communities
Health and related activities:
• Sponsoring public health projects • Investing in community health facilities • Clean water and sanitation services for communities • Aiding medical research
Education and the arts:
• Investing in education facilities for the community • Sponsoring or aiding educational conferences or exhibits • Providing tertiary bursaries or scholarships • Providing skills training, apprenticeships or on-the-job training for communities • Sponsoring research activities
Other community activities:
• Sporting sponsorships or donations • Sponsoring or assisting with governmental community projects • Safety and security initiatives for communities

Source: Yekini et al. (2015:264), adapted with content analysis of top 12 CSR performers (research stage 1)

Table 6.2 indicates how the CCI category list (see table 6.1), following Yekini et al. (2015), was adapted during the pilot review.

Table 6.2: Corporate community involvement categories adapted

Yekini et al. (2015) CCI category	Adapted CCI category (see table 6.1)	Reason
Provision of summer or part-time employment for students	Investing in local employment and infrastructure	Combined part-time employment, with investment in local employment
Developing and patronising local suppliers of goods and services Provision of income-generating schemes for local residence (e.g. micro-credit)	Investing in skills and enterprise development for communities	Rephrased because this activity is closely related to the requirements of the black economic empowerment codes applicable in South Africa
Environmental sanitation	Clean water and sanitation services for communities	Rephrased to include "clean water" owing to explicit referral of this item as part of pilot review
	Sponsoring of research activities	Included owing to explicit referral of these items as part of a pilot review
	Safety and security initiatives for communities	Included owing to explicit referral of these items as part of a pilot review

Source: Yekini et al. (2015:264), adapted with content analysis of top 12 CSR performers (research stage 1)

In line with the template analysis guidance, similar to Adhikari and Jayasinghe (2017) and Sandberg and Holmlund (2015), the content of the corporate reports for the sample of research stage 1 was analysed for all occurrences relating to CCI, following the CCI category list presented in table 6.1. A central feature of this technique is the development of a coding template from a subset of data, which is then applied to further data by means of revision and reapplication (King, 2012:426).

The code list was revised in accordance with King's (2004) guidelines, as set out below:

- inserting a new code following the identification of a relevant issue through data collection for which no code previously existed;
- deleting a code from the list, if it is not required;
- changing the scope of a code and altering its level within the hierarchy; or
- reclassifying a code to another category.

The coding was conducted on ATLAS.ti, which offers a systematic approach to log all changes, in order to assist the evolution of the code list. The data identified in the first four companies' corporate reports that were analysed, was compiled in a table and assigned preliminary codes to serve the next stage of the analysis (see the list of codes and definitions in table B.1, Appendix B). The decision rules following previous research (see Appendix A) were adopted to ensure that the construction of the code list (template) followed a systematic approach, which in turn, ensured a reliable coding process.

The pilot review provided insight into the importance of sentence use as a unit of measurement, as opposed to other measurement units. During the pilot review, a decision was made not to use words as a unit of measurement because words do not always to capture the true meaning. Table 6.3 contains the final decision rules which guided the content analysis of CCID contained in corporate reports and corporate webpages. Following Milne and Adler (1999) and Guthrie et al. (2004), the decision rules were tested several times as part of the pilot review (see Appendix A for the pilot review decision rules). Well-specified decision rules increase reliability (Hackston & Milne, 1996; Krippendorff, 2013; Milne & Adler, 1999). The coding assigned to the corporate reports of the first four companies was revisited once the decision rules had been set during the final stage, to ensure accurate coding and the consistent application of the decision rules.

Table 6.3: Research stage 1: CCID coding decision rules

Decision rules: Initial CCID framework	
No.	**Description**
1.	Sentence count of any statement, where any item within the categories of CCI in table 6.1 above is mentioned.
2.	**General decision rules:** • All disclosures must be specifically stated – they cannot be implied. • More than one possible code can apply for each sentence. • Tables (monetary and non-monetary), which provide information relating to CCI activities as set out in table 6.1, are classified as a unit and coded. • Listed disclosures (e.g. bullet points listing items), which provide information relating to CCI activities (as in table 6.1), are classified as a unit and coded (as this is centred on one idea/for a single purpose). However, where full sentences/paragraphs are discussed in bullet-point format, each sentence is classified accordingly. • Any disclosure that is repeated within the same report or between the different reporting media, will be recorded as a CCI sentence each time it is disclosed.
3.	**Inclusions:** • All CCI-related tables, graphs, figures and photographs. • All community sponsorship activities, as stated in table 6.1 above, no matter how much of it is advertising. • Any employee involvement relating to CCI activities, as in table 6.1, if company support is apparent. • Specific HIV/water management disclosures are only coded if company support towards the community is apparent. • Affinity/matching relating to CCI activities, as in table 6.1
4.	**Exclusions:** • Innovative business practices (income-generating activities) relating to products or services that impact the communities positively, do not meet the CCI definition, and these activities are not coded. • Regulatory environmental rehabilitation activities, which are regulated through environmental legislation.
5.	**CCI terminology applied:** • Corporate community involvement • Community spend • Socio-economic development • CED spend/expenditure • Community engagement • Corporate social investment • Community development • Corporate social responsibility • Community investment

Source: Fig (2005); Gray et al. (1995a:96); Hackston & Milne (1996:108); Mahadeo et al. (2011:174); Yekini (2012); Yekini et al. (2015:264), adapted with content analysis of top 12 CSR performers (research stage 1).

Based on the pilot review, the following items were added to the CCID coding decision rules in research stage 1, as set out in table 6.3: in the general decision rules category: "*More than one possible code can apply for each sentence*" and "*Any disclosure that is repeated within the same report or between the different reporting media, will be* *recorded as a CCI sentence each time it is disclosed*"; in the inclusion category: "Specific HIV/water management disclosures are only coded if company support towards the community is apparent" and "Affinity/matching relating to CCI activities, as in table 6.1. In the exclusion category: "*Innovative business practices (income-generating activities) relating to products or services that impact the communities positively, do not meet the CCI definition, and these activities are not coded*" were included based on the findings as discussed in section 6.3.2.3. In the CCI terminology category, the term, "*Community investment*" was included (see discussion in section 6.3.2.1). The final coding instrument (coding categories, code list and decision rules) was the result of the repeated application of the decision rules to several corporate reports, to ensure that the results could be replicated by other studies (see Appendix B for the final coding categories from the content analysis).

The pilot review indicated that the terminology for CCI differed among the organisations. To ensure that all CCID were included in research stage 1, the entire corporate reports and corporate webpages were scrutinised for relevant disclosures relating to CCI activities. The pilot review confirmed that the meaning of CCID can be accurately obtained when using sentences as a unit of measurement (see figure 6.3 below), whereas the use of paragraphs and themes results in specific CCID items being overlooked. The application of the decision rules is depicted in figure 6.3. The coding example demonstrated the accurate coding that uses sentences and the application of more than one code for each sentence.

Figure 6.3: Research stage 1 coding example (Vodacom Group Ltd, 2016:26)

Consistent with the template analysis approach adopted, the pilot review confirmed the back and forth interplay of codes and coding of data. The identification of these codes, together with the matching or mismatching of the data, revealed the adequacy of the code list (template) in order to amend and develop the code list until a satisfactory conclusion was reached. Codes, concepts and coding categories were checked and rechecked throughout the analysis. As discussed in section 5.4.2.1(b), a well-specified coding instrument was used to ensure a reliable analysis. In addition, a critical reader was asked to examine the coding process and integrate the coding review with the overall logic of thesis development, thus viewing the outputs of coding more holistically, but ethically stopping short at the interpretation and level of findings. Owing to the complexity of the coding process, this was deemed a dependable method for providing additional rigour to the foundational elements of the analysis. In the next section, the results of the content analysis conducted in research stage 1 are discussed.

6.3.2 Content analysis for research stage 1

In addition to the identification of the CCID items for the initial CCID framework, the content analysis findings provided insights into the CCI reporting notion in South Africa.

Chapter 1 discussed the importance accorded to CCI by organisations conducting their operations in South Africa. Through the analysis of corporate reports, this notion of CCI responsibility was confirmed. The sustainability report of Kumba Iron Ore Ltd stated the following: "*The challenging social context in South Africa highlights the need for sustainable community development as both a commercial and social imperative"* (Kumba Iron Ore Limited, 2016:48).

The integrated reports of Sappi Ltd and Nedbank Group Ltd stated the following:

> *Community investment is particularly important in Southern Africa, given that it is a developing country and as our plantations and operations are situated in rural areas where economic and social development lags behind more urbanised sectors … The fact that Sappi is headquartered and listed in South Africa, coupled with the significant development needs of the country, dictates a higher focus on CSR activities by Sappi in Southern Africa* (Sappi Ltd, 2016a:39).

> *We are keenly aware that millions of SA citizens lack access to decent education, formal-employment opportunities, sufficient food, clean water and sanitation, safe and affordable transportation, suitable housing, modern healthcare and financial services. The magnitude and complexity of these structural inequalities in our society have resulted in increasing discontent, and at Nedbank we will continue to play a leading role in working with our social partners in finding solutions to these challenges so that we create a better life for all South Africans* (Nedbank Group Ltd, 2016a:5).

The following sections provide an indication to the current state of best practice CCI reporting in South Africa. The content analysis of research stage 1 elaborates on the use of CCI terminology, an analysis between the CCID in the different corporate reporting mediums, and the integration of business and CCI by South African organisations.

6.3.2.1 CCI terminology

Following the discussion on CCI terminology as part of the literature review (see chapters 2 and 3), the entire corporate report was scrutinised for disclosures pertaining to CCI. Terms such as “community”, “communities”, “socio-economic”, “CSI”, “corporate social investment”, “CED spend”, “corporate social responsibility”, “CSR” and “local people” were specifically searched to ensure completeness of the coding analysis. The use of specific CCI terminology was apparent from the content analysis. The terms and definition, as applied, are presented in table 6.4 (below):

Table 6.4: CCI terminology

Companies	CCI terminology and definition	Source
Kumba Iron Ore Ltd	CSI and CED expenditure	Kumba Iron Ore Limited (2016:51,85)
Nedbank Group Ltd	CSI	Nedbank Group Ltd (2016c:19)
Vodacom Group Ltd	CSI and community spend	Vodacom Group Ltd (2016:35)
Standard Bank Group Ltd	CSI	Standard Bank Group Ltd (2016:5)
Oceana Group Ltd	CSI	Oceana Group (2016:57)
Exxaro Resources Ltd	Community investments	Exxaro Resources Limited (2016b:57)
Aspen Pharmacare Holdings Ltd	SED spend: Socio-economic development spend	Aspen Pharmacare Holdings Limited (2016:11)
Netcare Ltd	CSI	Netcare Ltd (2016:83)
Sappi Ltd	CSR, CSI and social investment spend	Sappi Ltd (2016a:39) Sappi Ltd (2016b:6,32)
Mondi Ltd	Community investment, community engagement and social investment	Mondi Ltd (2016:27,59)
Murray & Roberts Ltd	Community development programme	Murray & Roberts (2016:18)
Life Healthcare Group Holdings Ltd	CSI and CSR	Life Healthcare Group Holdings (2016:73,95)

Corporate social investment (CSI); corporate social responsibility (CSR)

The use of CSI in more than half of the companies (7 out of 12) demonstrates the application of the specific term in the South African context. Kumba Iron Ore Ltd explains CSI in its sustainability report as follows:

> *Much of our CSI continues to support vulnerable and marginalised stakeholders who are unable to participate in our value chains, with an emphasis on youth development. This includes investments in areas such as education and skills development, healthcare, SMME development, sports, arts, culture and support to vulnerable women, youth, children and people living with disabilities* (Kumba Iron Ore Limited, 2016:51).

The company's definition of CED expenditure is "… the sum of donations for charitable purposes and community investment (which include cash and in-kind donations and staff time) as well as investment in commercial initiatives with public benefit (such as enterprise development)" (Kumba Iron Ore Limited, 2016:85).

The interchangeability between the terms "CSI" and "CSR" was identified in the integrated report of Life Healthcare Group Holdings Ltd and Sappi Ltd. This interchangeability confirms the array of CSR definitions and applications, as explained in chapter 2. The follow example indicates how the terms "CSI" and "CSR" are used interchangeably in corporate reporting:

> *CORPORATE SOCIAL RESPONSIBILITY*
>
> *Life Healthcare's corporate social responsibility (CSI) programmes continue to provide value to the communities in which it operates and in which its employees reside, through contributions and programmes that drive sustainable change, health (community upliftment and healthcare) and education (training and research) projects* (Life Healthcare Group Holdings Ltd, 2016:95).

However, Sappi Ltd refers to the CSR spend of "ZAR51 million" and CSI spend of "ZAR51 million" interchangeably in its sustainability report (Sappi Ltd, 2016b:6,29). The disclosure is part of the company's "Investing in communities" section of its sustainability report, which reads as follows:

> *The bulk of our corporate social responsibility (CSR) investment takes places in Southern Africa, given that we are headquartered here and in view of the country's developmental needs. We are now measuring our investment more inclusively in terms of spend* (Sappi Ltd, 2016b:32).

The terminology relating to CCI depends primarily on the particular organisation's definition of "community". Only two companies defined "community" for their context, and the difference in setting is apparent: *"Communities represent broader society and include: Citizens of the countries in which we operate, including individual members of society, nongovernmental organisations and suppliers. The environment on which those citizens depend for their wellbeing"* (Nedbank Group Ltd, 2016a:28). However, Mondi Ltd states the following in its sustainability report: "*Our community engagement, initiatives and investments are directed at local communities that live adjacent to our operations, on or around our landholdings, or within our area of socio-economic and/or environmental impact"* (Mondi Ltd, 2016:56).

These initial insights obtained from the first research stage support the work of Fig (2005) and Skinner and Mersham (2008), who stated that South African firms generally prefer the notion of CSI, although the notion of CSR is also used in response to international trends and global attitudes (Baskin, 2006).

6.3.2.2 Corporate reporting mediums

The CCID content analysis were analysed for each corporate reporting medium, in total that was for, 12 integrated reports, 11 sustainability reports and 12 corporate webpages. Most CCID is presented in the sustainability reports (1 577 sentences), followed by the corporate webpages (1 182 sentences) and integrated reports (597 sentences). Figure 6.4 below depicts the varying CCID levels prevalent among the top-performing CSR companies. In this sample, the sustainability report represented 47% (1 577/3 356) of the CCID, the corporate webpage 35% (1 182/3 356) and the integrated report only 18% (597/3 356). This finding is consistent with that of Branco and Rodrigues (2008:699), who reported that the company's corporate webpages contained more CCID than the annual reports (see section 5.4.1.3). Relevant initial insights into the differing reporting mediums are discussed below.

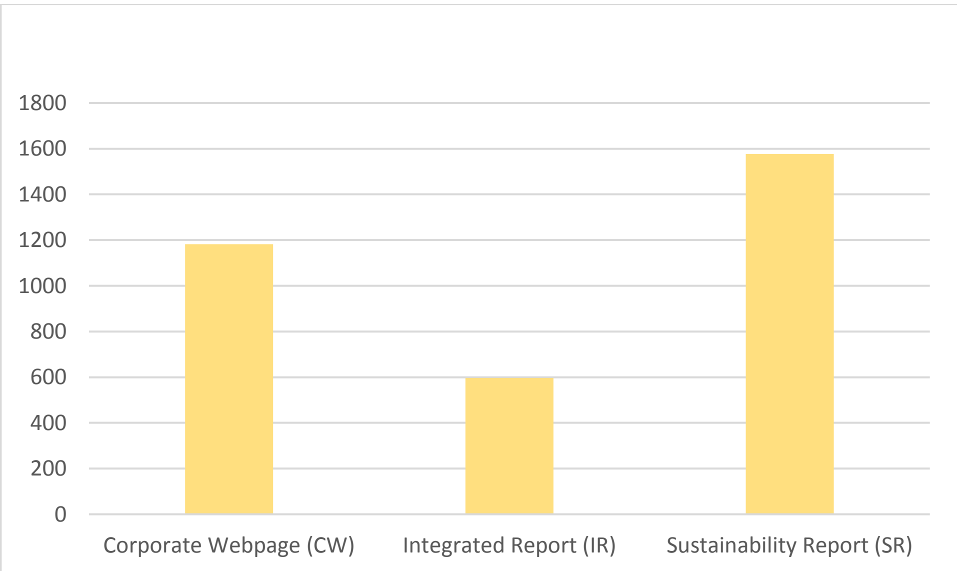


Figure 6.4: Extent of CCID in different corporate reporting mediums

(a) CCID in the integrated report

Based on the nature of the integrated report, CCID was found throughout the report, as well as in separate CCID sections. Disclosures relating to specific CCI projects represented most CCID (see figure 6.5). The CCI project disclosure items that were most prevalent were disclosures relating to specific CCI project inputs and outcomes (this includes qualitative narratives and quantitative outcomes). Another major disclosure component was the general descriptions pertaining to CCI projects undertaken by the organisations. CCI projects covered all CCI categories, as described in table 6.1, while the main focus was on education, healthcare and community developments.

Disclosures relating to annual CCI expenditure and the organisation's strategic approach to CCI featured prominently in the reports reviewed. However, most CCI strategic approach disclosures were deemed general statements rather than statements containing specific or detailed information pertaining to strategic approach adopted by the company.

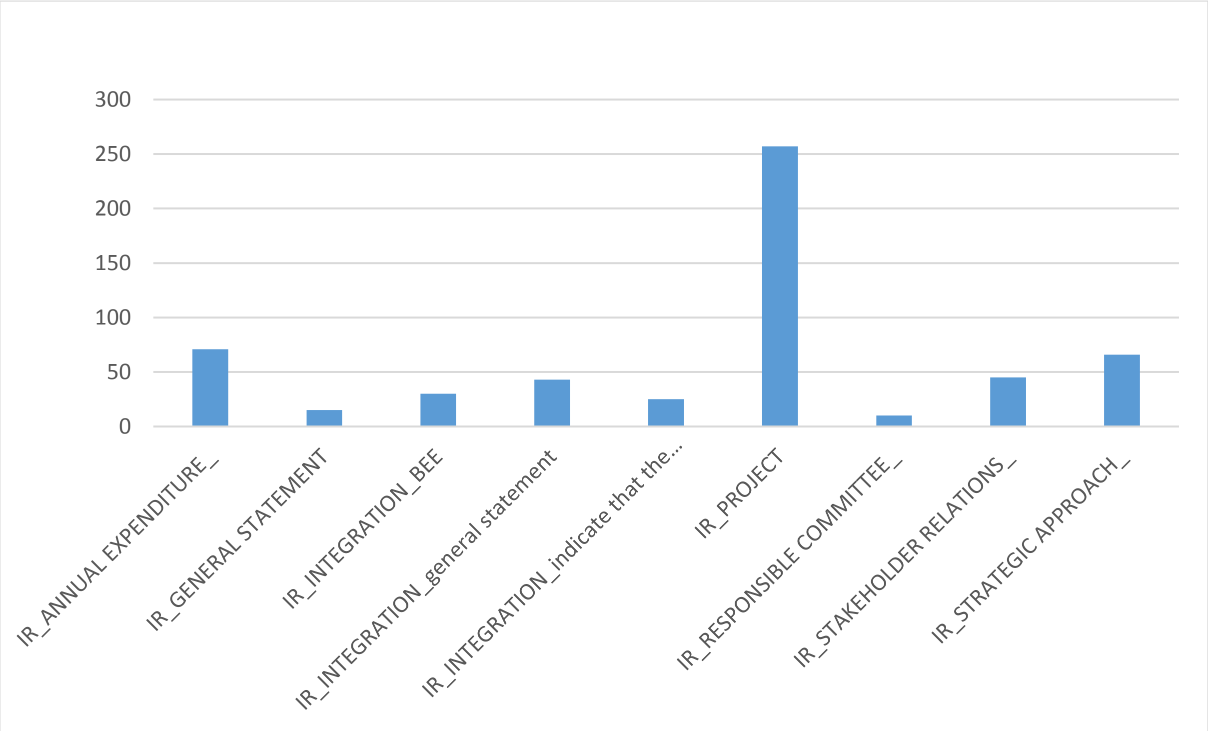


Figure 6.5: CCID of the integrated report (research stage 1)

(b) CCID in the sustainability report

Most CCID were presented in the sustainability reports of organisations. This is not surprising as sustainability accounting refers to the communication of social and environmental matters of a company's activities to specific interest groups in society, and to society in general (Gray et al., 1987:ix). As in the integrated report, the code that occurred most often was the general and detailed qualitative narratives relating to the organisation's CCI projects. Thereafter, the organisation's CCI strategic approach was followed by CCI annual expenditure disclosures and quantitative CCI project outcome disclosures. Figure 6.6 below indicates the CCID for the sustainability report, excluding the CCI project disclosure items. In total, the CCI project disclosure items comprised 914 coded sentences, which were more than half of the CCI sustainability report disclosures (58%).

The sustainability report, unlike the integrated report, included more information on the nature of the projects (partnerships, donations, sponsorships, employee time and knowledge), together with photographic disclosures, in an effort to give the reader a wider perspective and to add substance to the projects undertaken.

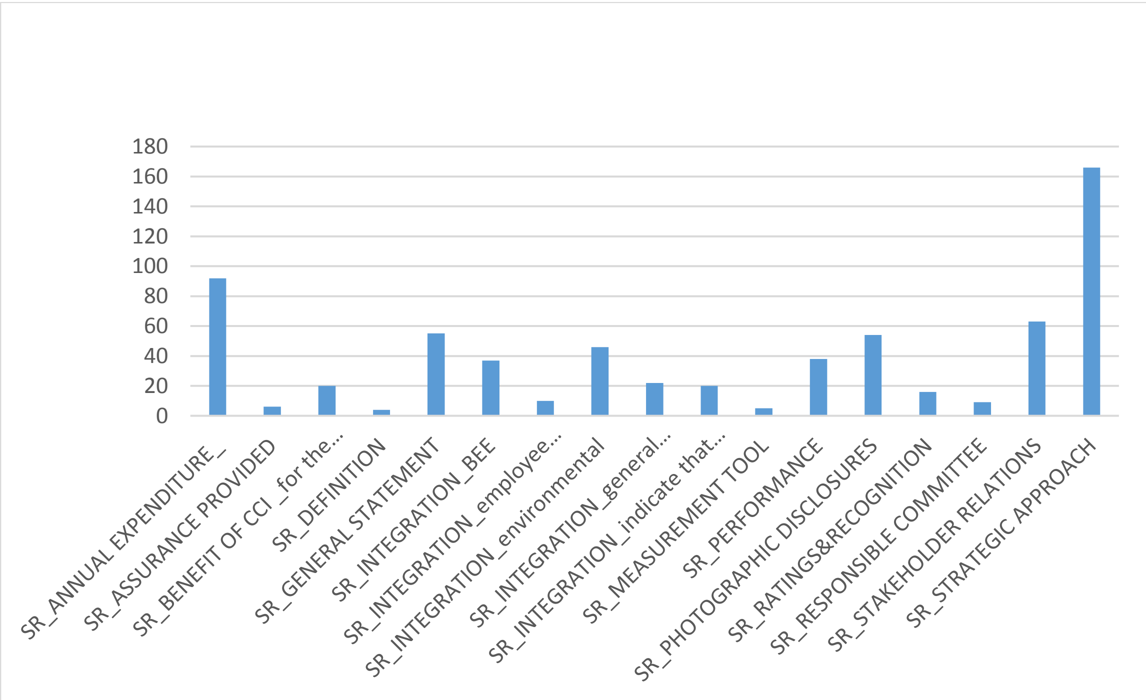


Figure 6.6: CCID of the sustainability report (excluding CCI project codes)

(c) CCID in the corporate webpage

Most CCID on corporate webpages included descriptive narratives on the relevant CCI projects. Project-specific codes represented the majority of the disclosures in this section, although the general factors pertaining to the different CCI projects received the most attention. A detailed narrative on project-specific inputs and outcomes was adequately disclosed and elaborated on. Physical evidence such as photographic disclosures was a prominent feature of CCID on corporate webpages.

Specific codes were identified from the corporate webpages, which were not present in the integrated and sustainability reports. See Appendix B for the CCI coding definition applied. These codes include the following:

- CW_APPLICATION FORM
- CW_COMPANY CONTACT DETAILS PROVIDED for CCI
- CW_PROJECT_beneficiary criteria
- CW_RATINGS AND RECOGNITION_example of impact on beneficiary/statement from beneficiary

The high rate of beneficiary evidence,[38] together with photographic disclosures, was used to maximise the visual effect for the reader. The disclosure of the company's CCI department contact information and project-specific beneficiary criteria details regarding CCI, amplified the organisation's CCI commitment. CCI application forms were also available on the website of Vodacom Group Ltd and Murray & Roberts Ltd. These practical factors enhance the physical evidence relating to an organisation's CCI.

The corporate webpages contained few quantitative disclosures relating to CCI annual expenditure and CCI project inputs and outcomes. However, 50% of CCI annual and project expenditure on corporate webpages reviewed did not reflect the organisation's most recent CCI activities (6 out of 12). Accordingly, the updating of CCID on corporate webpages did not appear to be timeous and relevant because the expenditure figures related to 2013/2014/2015, and one company discussed 2006/2007 completed projects.

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[38] The beneficiary evidence relates to code #29 CW_PROJECT_beneficiary criteria (see Appendix B), which refers to the organisation's beneficiary criteria listed for CCI projects.

In addition to the concern about the timeliness and relevance of the CCID presented on corporate webpages, the accuracy of CCID on corporate webpages was questioned (see the example relating to Vodacom Foundation and Netcare Ltd provided below). Inconsistent disclosures were included in the corporate webpages of two companies included in the analysis. The corporate webpage of Vodacom Group Ltd – at the time of the analysis – indicated that as part of its Mobile Education Programme (Foundation projects), 20 000 teachers had received training on the use of information and communication technology (ICT) in the classroom to enhance teaching skills, and 81 teacher centres had been equipped and connected to offer teacher development courses (Vodacom Foundation, 2017a). The downloadable Vodacom Foundation pdf document stated that over 100 000 teachers had received training on the use of ICT in the classrooms and 91 teacher centres had been equipped and connected to offer teacher development courses (Vodacom Foundation, 2017b).

Another instance related to the corporate webpage of Netcare Ltd, which presented the CSI programme for its healthcare and other services for the survivors of sexual assault. However, the figure presenting the breakdown of the sexual assault spend for 2015 was a duplication of the CSI spend for each category, which had been disclosed previously (Netcare Ltd, 2015). Although it was not the purpose of this study to identify any inconsistent disclosures as part of the research stage, omission of what was identified would have been incomplete. These identified inconsistent disclosures related closely to the apparent main concern that the CCID on corporate webpages are not regularly updated, and are not always an accurate reflection. In addition, these inconsistencies provide evidence of the difficulties that users have when trying to establish the veracity of information on corporate webpages.

6.3.2.3 Impact of the organisation’s business activities on the communities in which it operates

The effects of integrated reporting, as well as the available regulatory and voluntary reporting guidance initiatives, were noticeable in the analysis of corporate reports. Of specific relevance to this study was the impact of the business organisation’s activities on the communities in which it operates, which is required by the King Codes and the

IIRF (see chapter 3) (IIRC, 2013b:12; IODSA, 2009:4). Although these requirements do not specifically require CCID, they do have a bearing on an organisation's CCI activities. The importance of the relationship between the organisation and the communities in which it operates, was demonstrated in the content analysis performed in research stage 1.

The content analysis in research stage 1 revealed that organisations use sustainable and innovative business practices to meet customer demands, while the disclosure focus is set on community impact. These identified disclosures were not considered CCID according to the definition formulated in chapter 2. Figure 6.7 below is an example of how Nedbank Group Ltd uses its business operations to present community-focused disclosures:

More than **5 000 beds** were made available through our **R2,3bn** Fair Share 2030 lending in student accommodation.

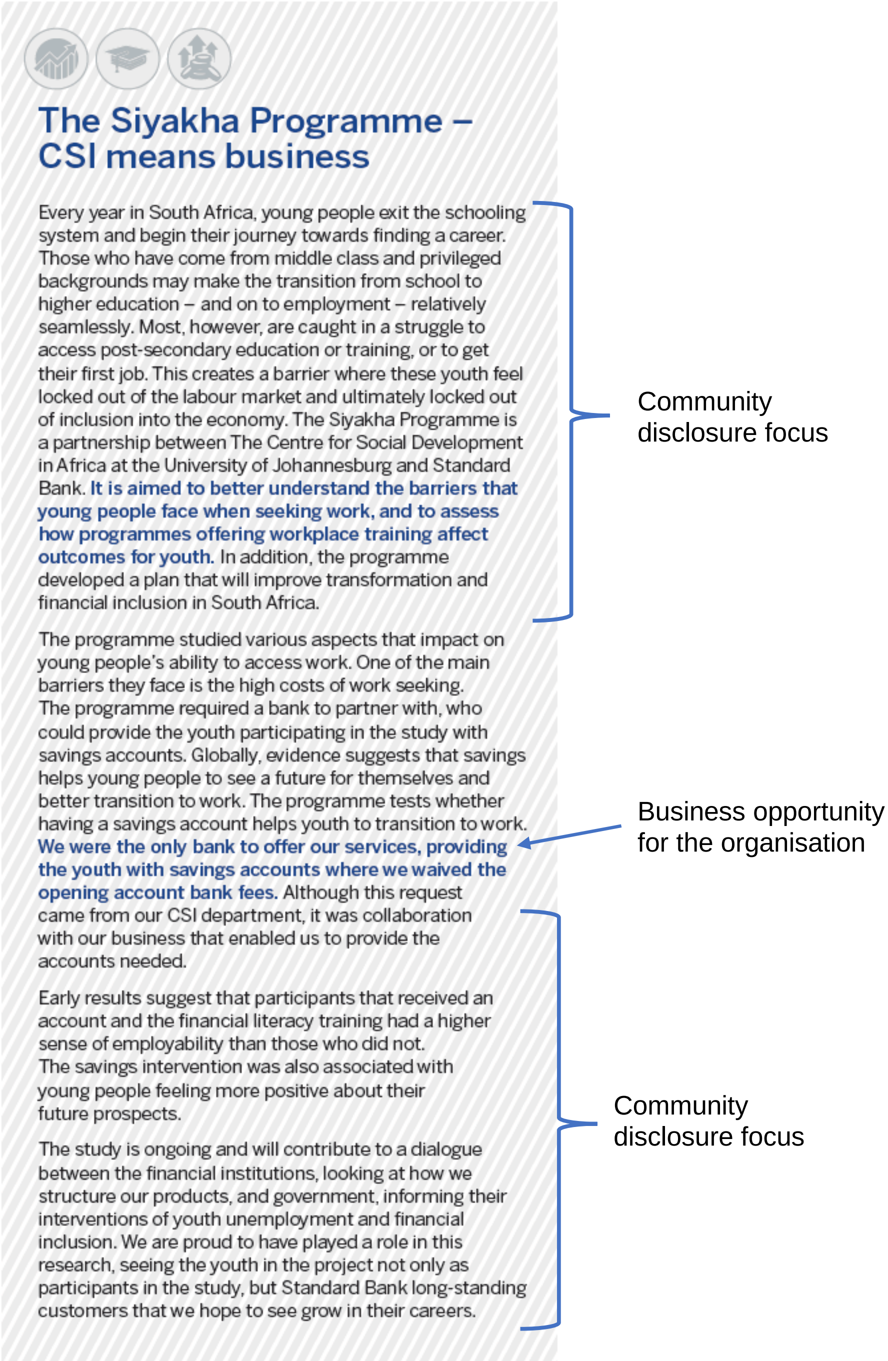
In 2016 we provided more than **R2,3BN IN LENDING AND INVESTMENT** towards the provision of **STUDENT ACCOMMODATION**, thereby addressing a critical need in an effort to improve educational outcomes.

Figure 6.7: Example of business operations, with a community disclosure focus

Source: Nedbank Group Ltd (2016b:11,22)

Figures 6.8 and 6.9 provide examples of how CCI is integrated into the business operations of companies. These activities provide the organisation with a long-term business opportunity. For example, in figure 6.8, the Siyakha Programme, in partnership with the University of Johannesburg, requires Standard Bank to provide a sample of young people exiting the school system with savings accounts. The Siyakha Programme (research project) examines whether a savings account assists the youth in their transition to the workplace. Standard Bank waived the fees required to open a bank account (Standard Bank Group Ltd, 2016:75). This initiative, whereby the banking fees were waived, could arguably be a CCI activity. However, the likelihood exists that the organisation can retain the CCI beneficiaries as customers, which generates an income for the organisation when the research project ends.

Figure 6.8 below relates to an example of how the organisation's business operations are integrated with CCI.



The Siyakha Programme – CSI means business

Every year in South Africa, young people exit the schooling system and begin their journey towards finding a career. Those who have come from middle class and privileged backgrounds may make the transition from school to higher education – and on to employment – relatively seamlessly. Most, however, are caught in a struggle to access post-secondary education or training, or to get their first job. This creates a barrier where these youth feel locked out of the labour market and ultimately locked out of inclusion into the economy. The Siyakha Programme is a partnership between The Centre for Social Development in Africa at the University of Johannesburg and Standard Bank. **It is aimed to better understand the barriers that young people face when seeking work, and to assess how programmes offering workplace training affect outcomes for youth.** In addition, the programme developed a plan that will improve transformation and financial inclusion in South Africa.

The programme studied various aspects that impact on young people's ability to access work. One of the main barriers they face is the high costs of work seeking. The programme required a bank to partner with, who could provide the youth participating in the study with savings accounts. Globally, evidence suggests that savings helps young people to see a future for themselves and better transition to work. The programme tests whether having a savings account helps youth to transition to work. **We were the only bank to offer our services, providing the youth with savings accounts where we waived the opening account bank fees.** Although this request came from our CSI department, it was collaboration with our business that enabled us to provide the accounts needed.

Early results suggest that participants that received an account and the financial literacy training had a higher sense of employability than those who did not. The savings intervention was also associated with young people feeling more positive about their future prospects.

The study is ongoing and will contribute to a dialogue between the financial institutions, looking at how we structure our products, and government, informing their interventions of youth unemployment and financial inclusion. We are proud to have played a role in this research, seeing the youth in the project not only as participants in the study, but Standard Bank long-standing customers that we hope to see grow in their careers.

Figure 6.8: Example of business operations, with a community disclosure focus

Source: Extract from the Report to Society (Standard Bank Group Ltd, 2016:75)

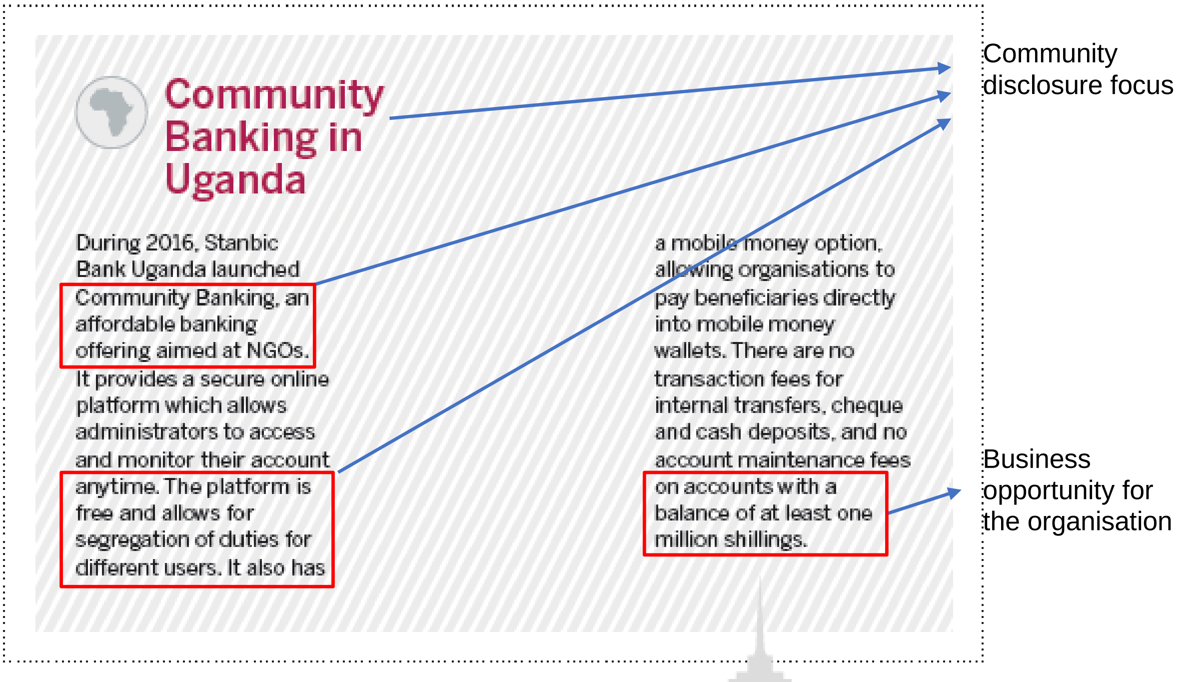


Figure 6.9: Example of business operations,[39] with a community disclosure focus

Source: Extract from the Report to Society (Standard Bank Group Ltd, 2016:38)

Another example of CCI and business integration is an organisation providing customers with CCI benefits. Figures 6.10 and 6.11 are examples of how Vodacom Group Ltd has implemented these strategies in its operations. In these examples, the organisation's service or product is required in order to obtain additional CSI benefits.

[39] Standard Bank Group Ltd has operations in nine African countries, namely Botswana, Ghana, Nigeria, Namibia, Tanzania, Uganda, Zimbabwe, Zambia and Swaziland.

Utilising mobile technology to tackle HIV in Lesotho

Vodacom and our Vodafone global markets are using their technology and working with local and international partners to tackle HIV in Lesotho, with a focus on children. Lesotho's population is almost 25% affected, directly and indirectly, by HIV and Aids, with many of the affected being children. There are many challenges to address, including the stigma around HIV testing, the remoteness of many villages and lack of finances for transport to clinics. The mountainous terrain and largely rural population mean healthcare workers have difficulty reaching patients and there are not enough healthcare facilities or healthcare workers to man them.

Community disclosure focus

Vodafone and Vodacom have the technology to help with these issues and make a material change to the future of the country. M-Pesa's mobile money solutions are being used to send money to children for transport to treatment centres. Mobile technology is used to send HIV test results so that children can timeously begin treatment. Previously, it took a month to receive results. Mobile clinics will be sent to rural areas to bring life-saving care to these communities and mobile technology will be used to help manage medical supplies and provide counselling and support services.

The project is called the Moyo Lesotho Challenge and aims to put all HIV+ people in Lesotho on ARVs by 2020, starting with children.

Business opportunity; and imperative to community benefits

Figure 6.10: Example of business operations, with a community disclosure focus

Source: Extract from the Sustainability Report of Vodacom Group Ltd (2016:16)

Building on Vodacom's established support for education through mEducation, in January 2015 we launched the Vodacom e-school, a secure online learning platform with free Internet access to basic education content for all grade 4-12 learners. The portal provides daily lessons, consisting of notes, videos, and assignments in the form of quizzes as well as personalised progress reports. Learners who are Vodacom subscribers can register at vodacom.co.za/e-school in order to be able to access curriculum aligned classroom content for free through Vodacom e-school. The underlying philosophy was to create a multimedia-based platform that is fun, inspiring and convenient, encouraging learners to study smarter not harder. The interactive elements of the portal allow the learning to be self-paced, enabling the learner to control the learning process. As at 31 March 2016, the portal had over 105 000 registered learners.

Community disclosure focus

Business opportunity and imperative to receive community benefits

Community disclosure focus

Figure 6.11: Example of business operations, with a community disclosure focus

Source: Extract from the Sustainability Report of Vodacom Group Ltd (2016:36)

The manual coding process in ATLAS.ti records the date and time of all created and modified codes and quotations (code and quotation manager functions). A comparison between the date and time of primary documents analysed against these functions – provided evidence of when coding saturation was achieved (Balan et al., 2016:8).

When the created code structure does not change, but becomes denser, saturation is achieved (Balan et al., 2016:8). Following these guidelines, saturation was achieved in the content analysis of CCID in corporate reports.[40]

Taken together this section, together with Appendix B, explains how the top-performing CSR reporters disclose their CCI activities. These findings indicate that the term "CSI" is commonly applied in South Africa as suggested in the literature (see section 3.3 in chapter 3). The sustainability report contains most (extent and variety) of the CCID compared with the integrated report and corporate webpages. The nature of CCID presented on the corporate webpages mostly agrees with the CCID in the integrated and sustainability reports, but follows a more project-specific and practical approach to CCI reporting. The close interaction between CCI and the impact of the business's activities on the communities was demonstrated in the analysis. The initial CCID framework was developed from top-performing disclosure trends and was enriched by means of a document analysis. The findings relating to the document analysis and CCID items from the literature are discussed in the next section.

6.4 FINDINGS RELATING TO THE DOCUMENT ANALYSIS

The document analysis reviewed voluntary reporting guidelines from private organisations and other non-accounting bodies following section 5.4.2.1(d) in chapter 5. Table 6.5 below provides a brief overview of the analysed documents. Twenty-eight CCID items were identified from the document analysis. These items, together with their interpretation, are presented in Appendix C.

[40] The last code during the coding of the integrated and sustainability reports was created on 16/08/2017, whereas the last set of quotations was coded on 18/08/2017 and again on 05/09/2017. There were 13 integrated and sustainability reports coded from 16/08/2017. This provides evidence that no new codes were created. Instead, the created codes were applied to quotations while analysing the last sets of corporate reports.

Table 6.5: CCID document analysis findings

Source document	CCID items
Mandatory requirements	
King Codes	See chapter 3.
International Integrated Reporting framework (IIRF)	See chapter 3.
Companies Act	In terms of Companies Regulation 43,[41] a JSE-listed entity should have a social and ethics committee, which monitors the company's activities with regard to matters specifically relating to social and economic development (South Africa, 2011).
BEE Act	No specific CCID are specified – see chapter 3.
CSI consultancy firms	
Trialogue (2013)	Reporting items were considered in Appendix C.
Next Generation	CSI compliance refers to the consideration of international guidelines such as the UN, IFC Performance Standards and OECD recommendations, industry-specific requirements, local legislation (Companies Act, BEE Act) and corporate governance frameworks (King codes, IIRF and GRI). CSI reporting matters refer to the transparent reporting of inputs, activities, outputs and the impact that CSI activities have across the entire value chain (Rossouw, 2016:31). See the reporting items listed by these institutions.
Committee Encouraging Corporate Philanthropy (CECP)	This metric requires the quantification of quantitative and qualitative social values created (CECP, 2010). Reporting items are considered in Appendix C.
Global Reporting Initiative (GRI)[42]	Disclosures pertaining to how the business organisation positively or negatively impacted the community, as well as related community engagement channels, are suggested (GRI, 2013:24,50,76). Reporting items are considered in Appendix C.

[41] The Companies Act 71 of 2008 was signed by the President on 8 April 2009 (Gazette No. 32121, Notice No. 421), and came into effect on 1 May 2011. The Minister of Trade and Industry, in terms of section 223 and Item 14 of Schedule 5 of the Companies Act, published the Companies Regulations. These Regulations have been effective since 1 May 2011 – the same date as the Companies Act itself came into effect.

[42] The GRI G4 Sector Disclosure requirements were not included in this review because the purpose of this study was to develop a generic CCID framework. The focus of the study was not industry or sector specific (see section 1.5). The GRI standards, which include the consolidated set of standards, became effective on 1 July 2018, and are based on the GRI G4 guidelines. However, minor changes and improvements have been made (GRI, 2018).

Table 6.5: CCID document analysis findings (continued)

Source document	CCID items
International reporting initiatives	
International Organization for Standardization (ISO)	The ISO describes community involvement as "an organization's proactive outreach to the community. It is aimed at preventing and solving problems, fostering partnerships with local organizations and stakeholders and aspiring to be a good organizational citizen of the community. It does not replace the need for taking responsibility for impacts on society and the environment" (ISO, 2010:63). No CCID are specified, and discussions relate to the actions and appropriate matters to include with CCI project implementation.
The International Finance Corporation (IFC), World Bank Group's Performance Standards	Performance Standards 1 and 4 relate to CCI and were reviewed. However, these matters do not encourage CCID. Furthermore, the purpose of this study was to develop a generic CCID framework. The focus of the study was not industry or sector specific (see section 1.5).
The United Nations, Global Compact released, the Principles for Social Investment (PSI)	Even though the PSI's focus is evaluating the underlying social investment activity, reporting items relating to the operating guidance can be identified from the guidance provided. The PSI guidance was applied in a recent CCID study by Adams et al. (2016). The operating guidance, which includes applicable CCID items, is included in Appendix C.
Local reporting initiatives	
JSE's SRI/ FTSE/JSE Responsible Investment Index Series	Although the JSE-SRI Index was terminated in December 2015, the CCID items, as listed, are included in Appendix C, as the rating scale of the FTSE Russel Responsible Investment Index, which replaced the JSE-SRI index, is not available on the FTSE/JSE Responsible Investment Index corporate webpage.[43]

The CCID items relating to the mandatory reporting requirements applicable in South Africa (see chapter 3) were included in the initial framework, since the purpose of the study was to present a comprehensive reporting framework for CCI reporting. Appendix C lists the 28 disclosure items identified in the document analysis and the interpretation of each of the items. Four items were added to the list of CCID items, based on the predetermined inclusion criteria. Twenty-one disclosure items related to the CCID items, as identified in the content analysis (see Appendix B) findings in step 1. Several of these disclosure items enhanced and explained the specific disclosure

[43] As discussed in section 5.4.2.1(d), the analysis of documents might be affected when the document collection is incomplete or when access is restricted (Yin, 2003). In this research, this restriction was not deemed a major limitation of the study, as the already limited regulatory guidance on CCID was the motivation for the study.

items. These reporting guidance items were included as disclosure indicators that supported and elaborated on the specific disclosure items. Three identified CCID items were not included in the initial CCID framework because they were listed in only a single document review (see Appendix C).

As indicated in table 6.5 and Appendix C, the document analysis revealed that the available CCI reporting guidance was mostly “practitioner driven” (as explained by local CSI consultants), while there was limited CCI reporting guidance from private organisations and other non-accounting bodies such as the GRI, CECP, ISO standards and the PSI. The ISO standards and PSI are mainly concerned with the operational efficacy of CCI rather than the reporting thereof.

The reporting items that failed to meet the CCI definition (see table 6.1) were not included in Appendix C. The initial CCID framework, which was a combination of the CCID items identified from the content and document analysis, are presented in Appendix D. The next section focuses on the pre-consultation review of the initial CCID framework.

6.5 THE PRE-CONSULTATION PROCESS

Two procedures were followed to construct the initial CCID framework. The first stage involved a review of the CCID of JSE-listed entities. The second stage entailed a document analysis of previous CSR disclosure studies, voluntary disclosure initiatives and the available reporting guidance on CCI. As discussed in sections 6.3 and 6.4 and Appendix D, this process yielded 34 specific disclosure items. These items were then used in a pre-consultative procedure with a panel of six academics to refine the items included in the initial CCID framework, as part of research stage 1 (see figure 5.1 in chapter 5). Based on the results of the pre-consultation, one item was combined with another CCID item (see #2.3 in table 6.6) and two items were removed as specific disclosure items and incorporated as disclosure indicators (see #2.4 and #2.6 in table 6.6).

All of the academics have professional qualifications as Chartered Accountants in South Africa (CA(SA)). The CA(SA) designation is “highly sought after in the business community” (De Villiers & Venter, 2010:14), and is internationally recognised by countries such as the UK, Canada, the US, Hong Kong and New Zealand (SAICA, 2017). Two of the academics were also community engagement coordinators or representatives at their universities, indicating their vested interest in CCI research.

The initial CCID framework prior to the pre-consultation process is included in Appendix D. The initial CCID framework after the pre-consultation process is presented in section 6.6. The pre-consultation process provided feedback and suggestions, which are listed in table 6.6. The feedback relating to the initial CCID framework mainly related to layout, presentation and general instruction feedback, specific disclosure item feedback and disclosure indicator feedback. No comments were made on general CCI categories. All suggestions by the pre-consultation panel were considered and discussed. All amendments were made consistently according to the findings of the preceding content and document analysis (Appendices B and C).

Table 6.6: Pre-consultation feedback on the initial CCID framework

Pre-consultation panel feedback	
1	**Layout, presentation and general instruction feedback**
1.1	Clarification to indicate the difference between the integrated and sustainability report.
1.2	Clarification on the specific disclosure items and disclosure indicators.
1.3	Add “Other” as a disclosure medium option, should the interviewee have another preferred disclosure medium to disclose the specific disclosure item.
1.4	Include headings on each page of the initial CCID framework.
2.	**Specific disclosure item feedback**
2.1	Move specific disclosure item #12 “*Provides a qualitative overview of CCI objectives for financial year*” to item #5, effectively recategorising this item under the general category “CCI strategy” – previously categorised under “CCI annual expenditure”.
2.2	*Move specific disclosure item #11 “*Provides an overview of the organisation’s CCI expenditure over the last few years (any significant events or highlights)*” to item #6, effectively recategorising this item under the general category “CCI strategy” – previously categorised under “CCI annual expenditure”. *The previous description “periodic overview” was replaced with the wording “over the last few years” in order to accurately reflect the true meaning of the disclosure item.
2.3	Specific disclosure item #13 “*Provides an inventory of all major CCI projects for the financial year*” was combined with disclosure item #14 “*For all major CCI projects supported*”, to read as follows: #13 “*An inventory of all major CCI projects supported, disclosing the following:*”

Table 6.6: Pre-consultation feedback on the initial CCID framework (continued)

Pre-consultation panel feedback	
2.4	Specific disclosure items #16.1 and 16.2 were removed from the specific disclosure item list and added to the disclosure indicators' list. This amendment was suggested to improve clarification of the specific disclosure item – which was now listed as #14: "*Description of formal project impact assessments.*"
2.5	Specific disclosure item #2 was reworded to accurately reflect the essence of the specific disclosure items, in terms of the document analysis. This amendment was suggested to improve clarification of the specific disclosure item, which was now listed as #2: "*The organisation understands its potential social impact on communities*". A disclosure indicator was also added to this item – see point 3.1 below.
2.6	Specific disclosure items #22 and #23 were reworded to accurately reflect the essence of the specific disclosure items, according to the content analysis. This amendment was suggested to improve clarification of the specific disclosure item, which was now listed as #21: "*Actuality of CCI*". The disclosure items were grouped added as disclosure indicators to this item – see point 3.5 below.
3	**Disclosure indicator feedback**
3.1	A disclosure indicator was added to specific disclosure item #2: "*List operations with implemented local community engagement, social impact assessments, and development programmes.*"
3.2	"*CCI categories*" was added to the disclosure indicator of specific disclosure item #4.
3.3	A disclosure indicator was added to new specific disclosure item #6 (see 2.2): "*Explain significant changes/strategic shifts regarding CCI focus categories/geographical areas over the time.*"
3.4	Disclosure indicator "*Describes challenges, lessons learned and how lessons are being addressed*" was removed from specific disclosure item #14.7, and included in specific disclosure item #15. This disclosure indicator was effectively recategorised under specific disclosure item #15: "Provides how performance results in meeting the return on expectation set against CCI strategy", which was previously under #14.7 "Provides details of key outputs/outcomes for each major project."
3.5	Two disclosure indicators were added to specific disclosure item #21(see 2.6): *"*Photographs providing evidence of CCI activities.* **Any achievements, external recognition obtained in relation to CCI activities."*

After completion of the pre-consultation process, the initial CCID framework yielded a list of 31 specific disclosure items (see amendments made according to 2.3 and 2.4 in table 6.6 above). The initial CCID framework (section 6.6) was used during research stage 2 of this study as part of the interview guide (Appendix H), where the initial framework was refined in line with CCI expert opinions in order to develop the CCID framework.

The pre-consultation panel also reviewed the remainder of the interview guide (Appendix H) for clarity and representativeness, as the initial CCID framework is presented as section A in the interview guide (Appendix H). Only minor editorial changes were requested in sections B and C of the interview guide.

6.6 THE INITIAL CCID FRAMEWORK

The initial CCID framework included the identified CCID items from top-performing CSR reporters in South Africa, together with items from the document analysis, as discussed in sections 6.3 and 6.4. The disclosure indicators provide further guidance, which explains and supports the specific disclosure items. In essence, the initial CCID framework represented the state of best practice CCI reporting in South Africa. The identified reporting items, together with the voluntary reporting guidance, were analysed in a structured manner by building on the work of previous scholars (see, e.g., Hackston & Milne, 1996; Haque & Deegan, 2010; King, 2012; Yekini et al. (2015); Yekini & Jallow, 2012). While this first research stage was primarily descriptive in nature, it provided the foundation for investigating CCI reporting in South Africa.

Table 6.7: The initial CCID framework

General categories	Specific disclosure items	Disclosure indicators	Source
1. CCI within the organisation	1. Business rationale for CCI: Demonstrates whether the company understands CCI and has a business case for it.	*Statement by company senior management, CEO or chairperson of the board that describes the relevance of CCI to the industry sector/company, and its long-term success. *Explains what CCI is and how it relates to its business strategy.	Appendix B:#17 and #24; Appendix C: Trialogue (2013); CECP (2010)
	2. The organisation understands its potential social impact on communities.	*List operations with implemented local community engagement, social impact assessments, and development programmes.	See table 6.6. Appendix C: GRI (2013:76); JSE (2014).
	3. A specific board committee with explicit oversight and responsibility for CCI activities and disclosures.	*Size and structure of function/department/foundation responsible for CCI, reporting lines and reporting on any significant changes.	Appendix B: #45 and #7; Appendix C: Trialogue (2013)
2. CCI strategy	4. Definition and explanation of the organisation's CCI policy/approach or adherence to regulatory guidance.	*Provides a rationale for the applicable CCI focus area (e.g. reasons for selected CCI categories and geographical areas).	See table 6.6. Appendix B:#51 and #58; Appendix C: Trialogue (2013)
	5. Provides a qualitative overview of CCI objectives for the financial year.		See table 6.6. Appendix B:#7
	6. Provides an overview of the organisation's CCI expenditure in recent years (any significant events or highlights).	*Includes qualitative and quantitative information on CCI for the last few years. *Explains significant changes/strategic shifts in CCI focus categories/geographical areas over the time.	See table 6.6. Appendix B:#6

Table 6.7: The initial CCID framework (continued)

General categories	Specific disclosure items	Disclosure indicators	Source
2. CCI strategy	7. Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group.	*Community stakeholder groups include, for example, beneficiaries of CCI projects, non-profit organisations, civil society and other community groups. *Describes how the company has responded to key issues raised by community stakeholder groups/grievance processes.	Appendix B:#48; Appendix C: Trialogue (2013); GRI (2013:76)
3. Annual CCI expenditure	8. Definition of how the organisation determines its annual CCI budget.	*Indication of budget (e.g. percentage of net profit after tax, board discretion). *Stability from year to year. *Discusses any significant changes from the previous financial year.	Appendix B:#1; Appendix C: Trialogue (2013)
	9. Provides a total annual CCI expenditure figure for the financial year (with comparative figures).		Appendix B:#2; Appendix C: GRI (2013:48); Trialogue (2013); CECP (2010)
	10. Provides the percentage/monetary breakdown of annual CCI expenditure for each category.	*Categories of CCI include, for example, education, arts and culture, health and community upliftment.	Appendix B:#3; Appendix C: Trialogue (2013)
	11. Provides the percentage/monetary breakdown of annual CCI expenditure for each geographical area or business segment, as most appropriate.		Appendix B:#4; Appendix C: Trialogue (2013)

Table 6.7: The initial CCID framework (continued)

General categories	Specific disclosure items	Disclosure indicators	Source
3. Annual CCI expenditure	12. Indicates the nature of annual CCI expenditure breakdown.	*Cash and non-cash contributions (e.g. assets, time/skills transfer/gifts in kind). *Monetary value of charitable giving. *Employee secondments and payroll giving.	Appendix C: CECP (2010); JSE (2014)
	13. An inventory of all major CCI projects supported disclosing the following:		
	13.1 Provides a qualitative description of all major CCI projects.	*General description, project objectives and list specifics, if applicable.	Appendix B: #41; Appendix C: JSE (2014); Trialogue (2013)
4. CCI projects	13.2 Indicates the monetary value invested for each major CCI project (comparative figures if applicable).		Appendix B: #31; Appendix C: Trialogue (2013)
	13.3 States the nature of support provided.	*Donations, sponsorships, gifts in kind, employee time/secondments, employee giving, other company resources and partnership details.	Appendix B: #33; Appendix C: Trialogue (2013); CECP (2010); JSE (2014)
	13.4 Provides details of geographic location for each major project.		Appendix D: #34; Appendix C: Trialogue (2013)
	13.5 Provides details of beneficiaries for each major project.		Appendix B: #30; Appendix C: Trialogue (2013)
	13.6 Reports on the status of the major projects – including project overview with project timeline or future prospects.		Appendix B: #40,#35,#32; Appendix C: Trialogue (2013); CECP (2010)
	13.7 Provides details of key outputs/outcomes for each major project.	*Quantitative and qualitative information. *Assesses performance against targets.	Appendix B: #39 and #47; Appendix C: Trialogue (2013); CECP (2010)

Table 6.7: The initial CCID framework (continued)

General categories	Specific disclosure items	Disclosure indicators	Source
4. CCI projects	14. Description of formal project impact assessments.	*Provides evidence of regular CCI project monitoring, evaluation and impact assessment. *Describes CCI indicators and data measurement tools.	See table 6.6 Appendix B:#25; Appendix C: Trialogue (2013); Next generation (2017)
	15. Indicates how performance results in meeting the return on expectation set against CCI strategy.	*Provides a sense of anticipated return on investment. *Provides, where possible, quantitative results for each evaluated project. *Describes challenges, lessons learned and how lessons are being addressed.	See table 6.6. Appendix B: #26; Appendix C: CECP (2010); Trialogue (2013)
5. Relevant regulatory measures	16. Description of CCI expenditure relative to socio-economic development (SED) target on the BEE scorecard.	*Explains discrepancies between budget and actual expenditure or leads/lags in expenditure relative to budget.	Appendix B:#20; Appendix C: Trialogue (2013)
	17. Description of CCI expenditure in relation to the enterprise and supplier development target on the BEE scorecard.	*Explains discrepancies between budget and actual expenditure or leads/lags in expenditure relative to budget.	Appendix B:#20
6. CCI benefits/ business value creation	18. Description of benefits arising from CCI projects that affect the organisation and/or the country positively.	*A qualitative narrative is presented. *Descriptions can be in general, relating to all CCI projects or for a specific project.	Appendix B:#14; section 6.4

Table 6.7: The initial CCID framework (continued)

General categories	Specific disclosure items	Disclosure indicators	Source
6. CCI benefits/ business value creation	19. A quantification of the benefits flowing from the organisation's CCI projects.	*Measures include*: *Employee engagement effect: quantitative value saved on retention and/or value of increased employee engagement score. *Brand reputation effect: value of increased views or impressions, value, internal measure of brand value. *Increased revenue/reduced expenditure: driven by sales based on new market access and/or expenses saved by mitigating risks.	Appendix C: CECP (2010); section 6.4
7. Assurance of CCI reporting	20. An indication of whether the CCI information has been assured and the scope of external assurance provided.	*Specific aspects of the CCI programme that are assured (e.g. quantum of money spent, how the funds are applied, number of beneficiaries). *Explain the relationship between the company and the assurance provider.	Appendix B: #13; Appendix C: Trialogue (2013)
8. Evidence	21. Actuality of CCI	*Photographs providing evidence of CCI activities. *Any achievements, external recognition obtained in relation to CCI activities.	See table 6.6 Appendix B:#27 and 44

Table 6.7: The initial CCID framework (continued)

General categories	Specific disclosure items	Disclosure indicators	Source
9. Corporate webpage (CW) reporting additions	22. The organisation provides a link to its CCI application form/process, if available		Appendix B: CW#12
	23. The organisation provides contact information of CCI representatives.		Appendix B: CW#15
	24. The organisation discloses the beneficiary criteria of applicable CCI projects.		Appendix B: CW#29; Appendix C: Trialogue (2013)
	25. The organisation demonstrates its impact from CCI projects on the lives of the beneficiaries by disclosing a beneficiary statement/thank you notes or beneficiary storytelling extracts.		Appendix B: CW#43

6.7 SUMMARY AND CONCLUSION

This chapter outlined the development of the initial CCID framework, which represented research stage 1 of the study. The development of the initial CCID framework followed a three-step process, which answered the first research question: "What is the current state of best practice CCI reporting in South Africa?" The first step entailed a content analysis of top-performing CSR reporters. The content analysis included an analysis of CCID presented in the integrated and sustainability reports as well as the corporate webpages of the sample of JSE-listed entities. The second step was a document analysis of the voluntary reporting guidance available from private organisations, including CSI consultancy organisations in South Africa, and international and local reporting initiatives relating to CCID, which were publicly available.

The content analysis of the top-performing CSR companies yielded a list of 30 specific CCID items categorised in nine general categories (see Appendix B). The coding instrument adopted for the content analysis included template analysis guidance to construct the code list. Template analysis allows for the inductive and deductive analysis of data (King, 2012), which was utilised to identify the CCID reporting items. In addition to the analysis to identify the disclosure items for the initial CCID framework, the content analysis provided insight into the current state of CCI reporting in South Africa.

The content analysis indicated that more than half of the companies in the analysis adopted the term "CSI", as previously discussed in chapter 3 (see section 6.3.2.1). According to Fig (2005) and Skinner and Mersham (2008), South African firms generally prefer the notion of CSI because of the historical backdrop of the country. The interchangeable use of CSI and CSR also emerged in the analysis, which might be in response to international trends influencing developing countries (Baskin, 2006). The sustainability report contained the most CCID, followed by the corporate webpages and the integrated report. These initial insights suggested that top-performing CSR reporters present the majority of their CCID in the sustainability report, and these comprise project-specific CCID (see section 6.3.2.2). These initial insights indicated that the CCID on the corporate webpages were outdated, and accordingly not timeously updated. In a number of companies in the sample that was analysed, the integration of CCI as part of the business operations was prevalent. The integration is expected to follow the King Code and IIRF guidance (see chapter 3), but a number of companies implement sustainable business practices to meet customer demands, while the disclosure focus is set on community impact (see section 6.3.2.3). Overall, these findings provided a comprehensive depiction of the current state of best practice CCI reporting in South Africa.

Four additional CCID items were identified in the document analysis (step 2) (see Appendix C for a full list of identified items in the document analysis). Several of the items enhanced and clarified the CCID items identified as part of the content analysis (step 1), and these explanations were added as disclosure indicators. The results of the disclosure items identified in the content analysis and document analysis of CCID together resulted in 34 specific disclosure items grouped in nine general categories, with disclosure indicators that provide further guidance (see Appendix D).

The combined and initial CCID framework developed in research stage 1 (Appendix D) was presented to a panel of academics, as part of a pre-consultation review (step 3). The pre-consultation process involved a review of the initial CCID framework and related CCID discussion questions, which were included in the interview guide used during research stage 2. No major changes were effected, but the panel did agree on the recategorisation and restructuring of some CCID items (see table 6.6 for the comments and action taken in section 6.5). These amendments accordingly resulted in the 34 specific disclosure items, according to Appendix D, being amended to 31 specific disclosure items presented in nine disclosure categories (see table 6.7).

The next chapter deals with the findings of the second research stage of the study, in which the initial CCID framework was refined following interviews with experts in order to develop the CCID framework to guide CCI reporting in South Africa.

CHAPTER 7

THE REFINEMENT OF THE INITIAL CCID FRAMEWORK

7.1 INTRODUCTION

The aim of this chapter is to report on the second research stage, namely the refinement of the initial CCID framework, as developed in research stage 1 (see chapters 5 and 6). This stage matches step 5 of Coy and Dixon's (2004) disclosure index model, which stipulates that stakeholder validation of index items should be obtained (see chapter 5) and that the opinions of knowledgeable parties (experts) should be incorporated in the constructed disclosure index (Coy & Dixon 2004:85). The findings of this research stage answered the following research questions formulated in chapter 1 (see section 1.5):

- What CCI information is required by company stakeholders?
- What are the current limitations on CCI reporting in South Africa?

In line with previous disclosure index studies (Coy & Dixon, 2004; Hooks, 2000; Md Zaini, 2017; Samkin et al., 2014; Schneider & Samkin, 2008), the emphasis was placed on the validation of disclosure items by experts in the field. This chapter reports on the research approach, target population, development and structure of the interview template (section 7.2), as well as the results of the semi-structured interviews (section 7.3).

The results of research stage 2 follow the interview guide layout, which firstly, addresses measuring the importance of the initial CCID framework items (section 7.3.1). The results include a ranking of importance of the CCID items and the selection of the most appropriate disclosure mediums for each disclosure item, and address the comments made by CCI experts on the initial CCID framework. Thereafter the first two open-ended questions specifically relate to the initial CCID framework, in order to refine and enhance the CCID framework. The remainder of the interview questions provide context and an understanding of CCI reporting in South Africa (section 7.3.2). The last section of the interview guide pertains to the required presentation format of

CCID (section 7.3.3). As a final step, the results of the follow-up interviews, which validated the refined CCID framework, are discussed (section 7.3.4).

The result of this stage of the research was the presentation of the refined CCID framework (section 7.4) which made it possible to continue with research stage 3, namely to apply the framework by means of a content analysis to a sample of South African JSE-listed companies. The latter is reported on in chapter 8.

7.2 RESEARCH APPROACH, TARGET POPULATION AND INTERVIEW GUIDE

During this research stage, an exploratory research approach was adopted to refine the CCID framework, which involved conducting interviews with experts in the field (see section 5.4.2.2). This approach is similar to that of Coy and Dixon (2004), Md Zaini (2017) and Schneider and Samkin (2008), which further refined and validated their developed disclosure indices.

The interviewees were selected on the basis of their reporting knowledge of and professional experience in CCID at JSE-listed entities (see Appendix G for the list of interviewees). Purposeful sampling was used, and a total of 42 potential participants were identified. An invitation email (consisting of a covering letter, the consent form and the interview guide) was sent to potential interviewees. The purpose of the interviews was to solicit expert opinions on the CCID items and to gain a greater understanding of the type of CCID information stakeholders expected. From the total list of 42 potential participants, three potential participants notified the researcher that they were unable to participate in the research project, and nine participants either did not provide any response or responded positively to the invitation email, but ultimately did not participate in the project. A total of 30 CCI reporting experts in the field agreed to participate in the study. The group of experts comprised corporate managers (preparers), users and specialists in the CCI field (see Appendix G for the list of interviewees).

In applying the interview guide, the interviewees were given the option of conducting interviews in person (face-to-face), telephonically, via skype and/or email correspondence (see Appendix F for the invitation covering letter). The 30 interviews were conducted as follows:

Table 7.1: Research stage 2: Interview option summary

Interview options chosen by participants	Number of interviews
In person (face-to-face) interview	14
Skype interview with video call activated	5
Telephonic interview	5
Telephonic and email correspondence, completing the interview guide electronically	6

The duration of the interviews was 45 to 60 minutes, and they took place at a time and location chosen by the participants (generally the manager's workplace) over a period of two months (see section 5.4.2.1(c)). Based on the interviewees' preferences, four interviews were conducted in Afrikaans, and the remainder in English. All interviews were recorded and transcribed. The transcription of verbal interviews is a crucial data analysis phase because it is regarded as an excellent approach to immerse oneself in and familiarise oneself with the data (Bird, 2005). The accuracy of the transcriptions was confirmed by reviewing the transcript while relistening to the recordings. The transcriptions were read repeatedly to identify themes in each of the open-ended discussion questions as they arose.

A professional transcriber, who is Afrikaans speaking and fluent in English, translated the interviews conducted in Afrikaans, while the interviewer, who is also Afrikaans speaking, reviewed the translated transcriptions to ensure that the transcriptions accurately reflected the interview. The use of a transcriber created a sounding board for the reviewer to ensure that the meanings, phrases and expressions were clearly represented in the translated transcripts. According to Welch and Piekkari (2006:427), it is common to draw on the skills of native speakers when translating and transcribing interviews that are not conducted in English.

Although the interviewer and interviewees who opted for an interview in Afrikaans, are fluent in English, the interviewer followed the guidance of Welch and Piekkari (2006), who suggested that the use of a local language during research interviews is essential to establish trust and freedom of expression. In accordance with the suggestion of Van Nes, Abma, Jonsson and Deeg (2010), to ensure that the translations were accurate, records of the transcriptions and recordings were kept as a useful source to confirm the accuracy of the translations. The interviewer also discussed all the complex phrases and interpretations used to ensure the most accurate translation, with the omission of no important information.

As part of section B of the interview guide (see Appendix H), all transcribed comments relating to additional CCID items for inclusion in the framework (see question 1), as well as the subsequent grouping and categorisation thereof for inclusion in the CCID framework, were emailed to the participants (see section 7.3.2 and Appendix J). This enabled the researcher to confirm the accuracy of the transcriptions and true meaning of the participants' responses. On average, the interview transcripts of section B of the interview were approximately four pages long.

This qualitative investigation revealed a number of themes, which are discussed in section 7.3, following the interview guide layout (see Appendix H). Company and interviewee names were not identified for confidentiality reasons. The interview consisted of three sections. Firstly, the interviewees had to measure the importance of the CCID items as presented in the initial CCID framework, together with their opinions/comments on the CCID items (see section A of the interview guide). Secondly, there was a discussion of context-specific questions relating to CCID (see section B of the interview guide). Thirdly, the interviewees were required to measure the importance of the type of CCI information disclosed by JSE-listed entities (see section C of the interview guide). The interviewees measured the importance of the CCID items as presented in the initial CCID framework, and their opinions on CCID were incorporated in the framework.

After the incorporation of expert opinions, the final refined CCID framework was validated with follow-up interviews. Following section 5.4.2.2 (d) in chapter 5 and the guidance of Creswell (2014:251), the follow-up interviews ensured that the CCID framework accurately reflected the CCID items required for reporting by JSE-listed entities. In total, nine follow-up responses were obtained. After a telephonic discussion, three interviewees provided their full answers electronically via email communication, and five telephonic conversations and one skype-call were held. Only one of the follow-up interviews was conducted in Afrikaans. Similar to the first interviews held, the same process of recording, translating and transcribing was followed. On average, the interview transcripts of the follow-up interviews were three pages long. Following the validation of the CCID framework, the final framework is presented in section 7.4.

7.3 FINDINGS ON RESEARCH STAGE 2: THE REFINEMENT OF THE INITIAL CCID FRAMEWORK

7.3.1 Measuring the importance of the initial CCID framework (section A)

Section A of the interview guide presented the initial CCID framework and provided a Likert rating scale to measure the importance of each CCID item, as well as an option to select the most appropriate disclosure medium for the specific disclosure item. An interviewee could select more than one disclosure medium option. Table 7.2 provides the frequencies and average score (mean) relating to each specific disclosure item. The Likert scale options were as follows:

0 = Should not be disclosed.
1 = Should be disclosed but is of minor importance.
2 = Intermediate importance.
3 = Should be disclosed and is very important.
4 = It is essential to disclose this item.

Table 7.2: Frequency and average score of ratings on the initial CCID framework

#	Specific disclosure item	Frequency					Average	Rounded
		0	**1**	**2**	**3**	**4**		
1	Business rationale for CCI: Demonstrates whether the company understands CCI and has a business case for it.	0	0	0	6	24	3.8	4
2	The organisation understands its potential social impact on communities.	2	0	1	9	18	3.4	3
3	A specific board committee with explicit oversight and responsibility for CCI activities and disclosures.	4	1	3	12	10	2.8	3
4	Definition and explanation of the organisation's CCI policy/approach or adherence to regulatory guidance.	2	0	3	12	13	3.1	3
5	Provides a qualitative overview of CCI objectives for financial year.	1	2	4	10	13	3.1	3

Table 7.2: Frequency and average score of ratings on the initial CCID framework (continued)

#	Specific disclosure item	Frequency					Average	Rounded
		0	1	2	3	4		
6	Provides an overview of the organisation's CCI expenditure over the last few years (any significant events or highlights).	2	1	2	9	16	3.2	3
7	Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group.	3	2	3	12	10	2.8	3
8	Definition of how the organisation determines its annual CCI budget.	7	1	7	8	7	2.2	2
9	Provides total annual CCI expenditure figure for the financial year (with comparative figures).	0	1	1	11	17	3.5	4
10	Provides percentage/monetary breakdown of annual CCI expenditure for each category.	1	1	6	8	14	3.1	3
11	Provides percentage/monetary breakdown of annual CCI expenditure for each geographical area or business segment as most appropriate.	2	0	9	12	7	2.7	3
12	Indicates the nature of annual CCI expenditure breakdown.	6	1	5	8	10	2.5	3
13.1	Provides a qualitative description of all major CCI projects.	2	3	4	9	12	2.9	3
13.2	Indicates the monetary value invested for each major CCI project (comparative figures if applicable).	4	3	4	8	11	2.6	3
13.3	States the nature of support provided.	3	3	5	8	11	2.7	3
13.4	Provides details of geographic location for each major project.	3	1	11	9	6	2.5	3
13.5	Provides details of beneficiaries for each major project.	2	2	9	13	4	2.5	3
13.6	Reports on the status of the major projects, including project overview with project timeline or future prospects.	5	3	8	11	3	2.1	2
13.7	Provides details of key outputs/outcomes for each major project.	3	2	6	9	10	2.7	3
14	Description of formal project impact assessments.	7	1	4	11	7	2.3	2
15	Indicates how performance results in meeting the return on expectation set against CCI strategy.	7	0	4	10	9	2.5	3

Table 7.2: Frequency and average score of ratings on the initial CCID framework (continued)

#	Specific disclosure item	Frequency					Average	Rounded
		0	1	2	3	4		
16	Description of CCI expenditure relative to the socio-economic development (SED) target on the BEE scorecard.	3	0	7	10	10	2.8	3
17	Description of CCI expenditure in relation to the enterprise and supplier development target on the BEE scorecard.	3	0	9	5	13	2.8	3
18	Description of benefits arising from CCI projects that affect the organisation and/or the country positively.	2	2	4	14	8	2.8	3
19	Quantification of the benefits flowing from the organisation's CCI projects.	7	3	8	7	5	2.0	2
20	Indication of whether the CCI information has been assured and the scope of external assurance provided.	3	0	3	6	18	3.2	3
21	Actuality of CCI.	4	6	2	9	9	2.4	2
22	The organisation provides a link to their CCI application form/process, if available	1	0	3	8	18	3.4	3
23	The organisation provides contact information of CCI representatives.	0	0	3	9	18	3.5	4
24	The organisation discloses the beneficiary criteria of applicable CCI projects.	0	1	4	5	20	3.5	4
25	The organisation demonstrates its impact from CCI projects on the lives of the beneficiaries by disclosing a beneficiary statement/thank you notes or beneficiary storytelling extracts	0	4	7	8	11	2.9	3

In the above table, the frequency signifies the number of participants (total of 30 interviewees) who rated each of the CCID items. The average score is the sum of (the ratings x frequencies)/30. For example, disclosure item number 2: *"The organisation understands its potential social impact on communities"* was calculated as follows: [(0*2) + (1*0) + (2*1) + (3*9) + (4*18)]/30 = 3.4 (the average rating is rounded to one decimal in accordance with Schneider and Samkin's, 2008, approach). In the last column in table 7.2, the average rating is rounded to the nearest absolute value, which depicts the level of importance assigned to each CCID item in accordance with Schneider and Samkin's (2008) approach.

None of the CCID items obtained an average rating of lower than two, which signifies intermediate importance. The majority of the disclosure items (22) obtained an average rating score of three when averages were rounded to the nearest absolute value. This indicates that the majority of disclosure items contained in the initial CCID framework should be disclosed in the external corporate reporting mediums[44] of JSE-listed entities and represent disclosure items that are deemed "very important" (rated 3 on the Likert rating scale).

Table 7.3 provides the results on the selection of the most appropriate disclosure medium for each specific disclosure item. A number of participants were of the opinion that more than one disclosure medium is necessary in order to adequately disclose CCID to the company stakeholders. Table 7.3 indicates the frequency percentage allocated to each disclosure medium selected by the participants. The disclosure medium options were as follows:

IR = integrated report
SR = sustainability report or equivalent document (e.g. report to society or supplementary report)
CW = corporate webpage
O = other, please elaborate if "other" option is elected.

The colours used in table 7.3 further demonstrate the interviewees' preferences for the integrated report, sustainability report or corporate webpage. The preferred disclosure medium for the specific CCID item is highlighted in green, the second most preferred disclosure medium in orange and the least preferred disclosure medium in red.

All of "other" reporting mediums that were selected referred to internal company communications, such as an internal board report or communication on internal CCI

[44] The external corporate reporting mediums referred to in this study were the integrated report, sustainability report and corporate webpage (see section 5.4.1.3 and Appendix H). In South Africa, the integrated report is a JSE listings requirement, which is similar to the use of the annual report in other countries. See chapter 3 for more details of the development of integrated reporting in South Africa, and section 5.4.1.3 for a discussion of the corporate reports included as part of this study's research strategy. According to Fasan (2013), the annual report, sustainability report and integrated report represent different facets of the evolution of corporate reporting. Even though the integrated report is the latest and most advanced version of corporate reporting worldwide, it is based on previous versions of existing reporting mediums, such as the annual and sustainability report (Fasan, 2013).

forums, documents or publications within the company. If an interviewee asserted that a specific disclosure item should only be disclosed within such internal communication – in other words, not regarded as a disclosure item for external reporting purposes – the rating accorded to that specific disclosure item was rated as a zero (0) on the Likert rating scale. This ensured that the importance rating assigned to the disclosure items in the initial CCID framework accurately reflected CCID for external corporate reporting purposes.

Table 7.3: Frequency and average score of ratings on the initial CCID framework

#	Specific disclosure item	Average	Reporting mediums selected (%)			
			IR	SR	CW	O
1	Business rationale for CCI: Demonstrates whether the company understands CCI and has a business case for it.	4	77%	50%	47%	0%
2	The organisation understands its potential social impact on communities.	3	57%	50%	47%	7%
3	A specific board committee with explicit oversight and responsibility for CCI activities and disclosures.	3	63%	37%	20%	7%
4	Definition and explanation of the organisation's CCI policy/approach or adherence to regulatory guidance.	3	43%	60%	40%	7%
5	Provides a qualitative overview of CCI objectives for financial year.	3	50%	50%	30%	3%
6	Provides an overview of the organisation’s CCI expenditure over the last few years (any significant events or highlights).	3	57%	50%	27%	3%
7	Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group.	3	40%	57%	27%	3%
8	Definition of how the organisation determines its annual CCI budget.	2	40%	40%	23%	3%
9	Provides total annual CCI expenditure figure for the financial year (with comparative figures).	4	70%	47%	37%	0%
10	Provides percentage/monetary breakdown of annual CCI expenditure for each category.	3	40%	53%	37%	3%
11	Provides percentage/monetary breakdown of annual CCI expenditure for each geographical area or business segment as most appropriate.	3	43%	50%	20%	3%
12	Indicates the nature of annual CCI expenditure breakdown.	3	37%	40%	23%	10%
13.1	Provides a qualitative description of all major CCI projects.	3	30%	50%	57%	7%
13.2	Indicates the monetary value invested for each major CCI project (comparative figures if applicable).	3	27%	43%	43%	3%
13.3	States the nature of support provided.	3	27%	43%	50%	7%

Table 7.3: Frequency and average score of ratings on the initial CCID framework (continued)

#	Specific disclosure item	Average	Reporting mediums selected (%)			
			IR	SR	CW	O
13.4	Provides details of geographic location for each major project.	3	30%	33%	43%	7%
13.5	Provides details of beneficiaries for each major project.	3	23%	43%	53%	7%
13.6	Reports on the status of the major projects, including project overview with project timeline or future prospects.	2	13%	40%	50%	10%
13.7	Provides details of key outputs/outcomes for each major project.	3	20%	50%	47%	7%
14	Description of formal project impact assessments.	2	13%	47%	30%	7%
15	Indicates how performance results in meeting the return on expectation set against CCI strategy	3	23%	30%	33%	10%
16	Description of CCI expenditure relative to the socio-economic development (SED) target on the BEE scorecard.	3	53%	47%	33%	7%
17	Description of CCI expenditure in relation to the enterprise and supplier development target on the BEE scorecard.	3	53%	37%	37%	10%
18	Description of benefits arising from CCI projects that affect the organisation and/or the country positively.	3	43%	47%	43%	7%
19	Quantification of the benefits flowing from the organisation's CCI projects.	2	27%	37%	33%	17%
20	Indication of whether the CCI information has been assured and the scope of external assurance provided.	3	50%	43%	23%	7%
21	Actuality of CCI	2	23%	43%	57%	3%

To interpret table 7.3, the following example is provided for CCID item number 1: *"Business rationale for CCI: Demonstrates whether the company understands CCI and has a business case for it*". Seventy-seven percent (23/30 = 77%) of the participants were of the opinion that this item should be disclosed in the integrated report, while 50% (15/30) indicated that they would like to see it in the sustainability report, and 47% (14/30) stated that they would also like to see it on the corporate webpage of the organisation. Although this approach did not add up to 100% for each CCID item, it did allow for a comparison between CCID items, because all reporting selections were divided by the same sample size of 30 participants. If the results had been calculated on the basis of the number of selections made, the sample size would have been different for each CCID item. For example, in the case of CCID item number 1: 44% (23/52(23+15+14) = 44%) of the selections related to the integrated report as the most appropriate disclosure medium, 29%(15/52) to the sustainability report and 27% (14/52) to the organisation's corporate webpage. It should be noted that despite the calculation method adopted, it would have yielded the same results. See table 7.4, which provides a total overview of the most appropriate disclosure mediums, based on the total selections made by participants.

Regarding the findings in table 7.3, a preference for the integrated report as an appropriate disclosure medium for CCID was identified. On average, the integrated report was selected as the most appropriate disclosure medium for 10 out of the 21[45] specific disclosure items. All these items were regarded as "very important" or "essential" disclosure items. The participants frequently selected the sustainability report as the preferred disclosure medium. The corporate webpage was selected as the appropriate disclosure medium for the major CCI project-specific disclosure items. See disclosure item 13, which relates to an inventory of all major CCI projects supported.

Table 7.4 indicates disclosure medium preference as a percentage of total disclosure mediums selected. In essence, it provides a summarised comparison of the appropriate reporting mediums selected for CCID. For example, in total, 1 036 selections were made and of the 1 036 selections made, 322 represented disclosures in the integrated report (322/1 036 = 31%).

Table 7.4: Total disclosure medium preference comparison

#	Specific disclosure item	Reporting mediums selected (%)				
		IR	SR	CW	O	Total
Total disclosure mediums selected by interviewees		322	365	300	49	1 036
Disclosure medium as a percentage of total selections		31%	35%	29%	5%	100%

The findings in table 7.4 suggest that the participants concurred that the integrated, sustainability and corporate webpages were all important disclosure mediums for CCID. Although the preferences for these three mediums only ranged between 29% and 35%, the sustainability report was deemed the most appropriate disclosure medium.

The results in tables 7.3 and 7.4 combined suggest that the integrated report, sustainability report and corporate webpage have merit for CCID. The small margin between the preferences for different reporting mediums supports the use of the

[45] The reference to 21 specific disclosure items is in accordance with the grouping of disclosure item 13, which relates to an inventory of all major CCI projects.

sustainability report and extensive research on CSR and sustainability report disclosures (see section 2.4). This can also be linked to studies such as those of Campbell et al. (2003) and Unerman (2000:677), who questioned the annual report as the only source of investigating CSR disclosures (see section 5.4.1.3). However, the prominence of the integrated report as the preferred disclosure medium for a number of CCID items is aligned with the number of CCID studies using only the annual report for their analysis (see Campbell et al. (2006); Yekini et al. (2017); Yekini et al. (2015); Yekini and Jallow (2012). Adams et al. (2016) emphasised the fact that integrated reporting has significant potential for social investment disclosures, which the CCI experts appeared to agree with.

Interviewees were able to comment on the initial CCID framework during the rating discussion (section A of the interview guide) of the interview. The noteworthy comments made by two or more interviewees on the specific disclosure items are summarised in table 7.5. The majority of comments related to specific CCID items, and there were no comments on the general CCI categories. The relevant amendments to the initial CCID framework or action taken relating to these comments are discussed below.

Table 7.5: Interviewee comments on the initial CCID framework

Disclosure items[46]	**Interviewee comments on the disclosure items of the initial CCID framework**
Disclosure item 3: A specific board committee with explicit oversight and responsibility for CCI activities and disclosures	
Interviewee F:	To ensure the effectiveness of the committee, the committee needs to consist of an uneven number of members, and members with decision-making capabilities need to be represented on the committee, for example, CEO/CFO.
Interviewee O:	The social and ethics committee is mandatory as it is stipulated in the Companies Act. The struggle relates to how companies incorporate and properly disclose information that is beneficial to key stakeholders.
Interviewee R:	There is a disconnect between the board and governance functions as listed in the specific disclosure item and the operational execution of CCI as listed in the disclosure indicator.
Interviewee T:	An overview of who in the organisation ultimately takes responsibility for CCI should be disclosed to ensure that strategy and results are in line with management expectation and strategy. Any significant changes/deviations from the CCI strategy should be approved by the relevant authorised personnel.
Interviewee AA:	To have a separate disclosure item for board and management responsibilities. Linking operations and management structure with board responsibilities. Governance on the project itself is very important, items such as the management and procurement process, which ensures that the money goes to the right place.
Action taken:	The specific disclosure item was modified to specifically refer to the mandatory board committee requirements and to include the management responsibility relating to CCI activities. See the refined CCID framework in section 7.4, disclosure item numbers 3.1 and 3.2.
Disclosure item 4: Definition and explanation of the organisation's CCI policy/approach or adherence to regulatory guidance	
Interviewee J:	This disclosure item needs to link with disclosure item number 1 of the initial CCID framework.
Interviewee T:	Very important information, as this item provides information to governing bodies and stakeholders in order to assess the company's commitment and strategy towards CCI and indicate whether any concerns should be raised.
Interviewee R:	This disclosure item needs to link with disclosure item number 1 of the initial CCID framework.
Interviewee V:	This is a very important disclosure item, which needs to link with disclosure item number 1 of the initial CCID framework.
Action taken:	The specific disclosure item was simplified to state the following: *"Definition and explanation of the organisation's CCI policy/approach".* The disclosure indicator was reworded to include the adherence to regulatory guidance and updated according to the above comments made by interviewees linking this disclosure item to the organisation's business rationale (disclosure item 1). See the refined CCID framework in section 7.4, disclosure item number 4.

[46] The disclosure item numbering in tables 7.2 to 7.5 relates to the initial CCID framework, as listed in section 6.6 in chapter 6, and the interview guide, as listed in Appendix H.

Table 7.5: Interviewee comments on the initial CCID framework (continued)

Disclosure items	Interviewee comments on the disclosure items of the initial CCID framework
Disclosure item 5: Provides a qualitative overview of CCI objectives for financial year.	
Interviewee F:	A qualitative review provides no useful information; it has no essence without also providing quantitative information.
Interviewee L:	To possibly include outcome indicators, not just a description of activities.
Interviewee O:	To include quantitative information as well, some organisations prefer to give an overview in terms of the quantity, maybe with a qualitative narrative supporting the quantitative disclosures.
Interviewee T:	This will provide clarity on the CCI strategy for the year and provide measurable targets and objectives, which can be tracked and monitored by senior management.
Interviewee AA:	To include qualitative and quantitative information for this disclosure item.
Action taken:	The specific disclosure item was amended to state the following: "*Provides an overview of CCI objectives for the financial year*". The disclosure indicator was updated according to the comments made by interviewees above, to include quantitative and qualitative information relating to this item, and the maximum quality rating was amended from a three (3) to a five (5) to reflect the inclusion of quantitative information. See the refined CCID framework, new disclosure item number 6 in section 7.4.
Disclosure item 7: Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group.	
Interviewee K:	This disclosure item depends on the industry of the organisation; for example, the mining sector is very sensitive towards these disclosures and the banking sector is not as sensitive.
Interviewee L:	A high-level disclosure presentation would suffice, as there is too much information which can be presented on this item. The purpose of the report should be considered, as to who the organisation [is] accountable [to], when disclosing information hereon.
Interviewee Q:	This disclosure item generally lacks adequate presentation.
Interviewee T:	Depending on the size of the organisation, this information might be a bit extensive. Additional information should be disclosed on the corporate webpage and not in the sustainability report.
Interviewee V:	The disclosure medium for this disclosure item depends on the size of the organisation, as there [is] a lot of information to disclose if it is adequately presented.
Interviewee Y:	Stakeholder mapping is essential and very important to do internally, however it is of less importance for external reporting purposes.
Action taken:	Based on the above comments made by the interviewees, no amendment was made to either the specific disclosure item or the disclosure indicators, as reflected in the initial CCID framework relating to this disclosure, as the CCID framework adequately addressed the importance accorded to this item by the interviewees (see tables 7.2 and 7.3).

Table 7.5: Interviewee comments on the initial CCID framework (continued)

Disclosure items	**Interviewee comments on the disclosure items of the initial CCID framework**
Disclosure item 11: **Provides percentage/monetary breakdown of annual CCI expenditure for each geographical area or business segment as most appropriate**.	
Interviewee F:	To disclose the geographical area is a very important disclosure item, as it ensures alignment with the community in which the organisation operates.
Interviewee O:	I do not think it is very important to showcase it this way – the impact that the organisation provides for the community should be sufficient. I do not know how the geographical location will have a significant input [in]to it.
Interviewee T:	Depending on the geographical areas where the entity operates, this might be a bit extensive. This will however provide information to stakeholders in which geographical area CCI expenditure is spent to ensure expenditure is in line with management's strategy and goals. This will also allow stakeholders to raise concerns in order to redistribute expenditure to other geographical areas which might need resources, infrastructure, etc.
Action taken:	Based on the above comments made by the interviewees, no amendment was made to either the specific disclosure item or the disclosure indicators, as reflected in the initial CCID framework relating to this disclosure, as the CCID framework adequately addressed the importance accorded to this item by the interviewees (see tables 7.2 and 7.3).
Disclosure item 13.4: **Provides details of geographic location for each major project**	
Interviewee N:	To include CCI projects for each business segment/operation as applicable.
Interviewee O:	I think once organisations have indicated the kind of CCI project they would like to be involved with and why they think it is the best project; its geographical location should not be a big issue. The organisation's impact should be more relevant.
Interviewee S:	An organisation should be careful to place too much emphasis on the geographic location of CCI, as it is not necessary that CCI spend needs to be aligned with your market.
Interviewee T:	Depending on the size of the organisation, this information might be a bit extensive for disclosure in the sustainability report. If additional information is to be disclosed, the corporate webpage or a separate CCI document should be considered.
Interviewee Z:	This is important information, as CCI needs to be aligned with the production facilities of the organisation (corporate footprint).
Action taken:	Based on the above comments made by the interviewees, no amendment was made to either the specific disclosure item or the disclosure indicators, as reflected in the initial CCID framework relating to this disclosure, as the CCID framework adequately addressed the importance accorded to this item by the interviewees (see tables 7.2 and 7.3).

Table 7.5: Interviewee comments on the initial CCID framework (continued)

Disclosure items	Interviewee comments on the disclosure items of the initial CCID framework
Disclosure item 13.5: Provides details of beneficiaries for each major project.	
Interviewee O:	A project narrative indirectly already communicates the information. However, it is very important information, which presents to whom and to trace contributions back to the community one has identified. It is also important in terms of corruption, where organisations just give money to ghost charities.
Interviewee Q:	The geographic location of the CCI project is more important, as the location indirectly already describes the beneficiary community.
Action taken:	On the basis of the above comments made by the interviewees, no amendment was made to either the specific disclosure item or the disclosure indicators, as reflected in the initial CCID framework relating to this disclosure, as the CCID framework adequately addressed the importance accorded to this item by the interviewees (see tables 7.2 and 7.3).
Disclosure item 13.7: Provides details of key outputs/outcomes for each major project	
Interviewee M:	The project impact also needs to be disclosed.
Interviewee Q:	It is not necessary to disclose CCI in that level of detail.
Interviewee S:	The impact of the project should be disclosed.
Interviewee R:	This disclosure item needs to link with the strategic intent, objectives and targets previously disclosed.
Interviewee V:	I am less interested in the project outputs, but more interested in the project outcomes and impact of the project. Both outcomes and impacts are important and both need to be reported. However, as an organisation, you have control over the project outcome, but you have no control over the impact of the project. The size of the organisation affects the reporting medium; smaller listed companies should disclose it in the integrated report, and larger organisations should make use of a reporting supplement.
Action taken:	On the basis of the above comments made by the interviewees, no amendment was made to either the specific disclosure item or the disclosure indicators, as reflected in the initial CCID framework relating to this disclosure item, as the CCID framework adequately addressed the importance accorded to this item by the interviewees (see tables 7.2 and 7.3). However, the strong emphasis placed on the impact of CCI project disclosures was considered together with possible additional CCID items added to the CCID framework. For more details on the additional disclosure item, see section 7.3.2 and the refined CCID framework in section 7.4, as well as new disclosure item number 17.

Table 7.5: Interviewee comments on the initial CCID framework (continued)

Disclosure items	**Interviewee comments on the disclosure items of the initial CCID framework**
Disclosure item 14: Description of formal project impact assessments	
Interviewee F:	This is not always so easy to do.
Interviewee I:	This is essential as the evaluation presents whether the CCI project really makes a difference.
Interviewee Q:	This disclosure item requires too much detail.
Interviewee R:	The impact of the project should be quantified.
Interviewee T:	This should be internal processes for senior management to monitor and assess CCI targets and should not be disclosed.
Interviewee V:	The process needs to be disclosed, as not all disclosures relevant to how the project is assessed will be possible.
Action taken	On the basis of the above comments made by the interviewees, no amendment was made to either the specific disclosure item or the disclosure indicators, as reflected in the initial CCID framework relating to this disclosure, as the CCID framework adequately addressed the importance accorded to this item by the interviewees (see tables 7.2 and 7.3).
Disclosure item 18: Description of benefits arising from CCI projects that affect the organisation and/or the country positively	
Interviewee L:	Where possible, impact metrics should be disclosed.
Interviewee R:	Separate benefits for organisation and country.
Interviewee V:	To separate this disclosure item between company and country. It would be better if someone else could evaluate the benefits for the country, and that disclosure item would be of lesser importance. There can possibly be sensitivity around this disclosure item.
Action taken:	This disclosure item was amended in relation to the comments made by interviewees. The specific disclosure item was amended as follows: *"Description of benefits arising from CCI projects that affect the country positively"*. The following disclosure item 19 was accordingly also amended to reflect the benefits for the organisation. Through this amendment, the refined CCID framework was enhanced and accurately addressed interviewee concerns (see section 7.4 for the refined CCID framework, as well as new disclosure item number 22).
Disclosure item 19: A quantification of the benefits flowing from the organisation's CCI projects	
Interviewee F:	This will never be accurately disclosed.
Interviewee I:	A crucial disclosure item; however, it is not easy to measure! This item adds a lot of value.
Interviewee L:	Ideal; however, measurement challenges do exist.
Interviewee T:	Depending on the size of the organisation, this information might be a bit extensive for disclosure in the sustainability report. If additional information is to be disclosed, the corporate webpage or a separate CCI document should be considered.
Interviewee V:	The process needs to be disclosed in the integrated report; however, due to the number of disclosures relating to the organisation (size of the organisation) this might not be possible to disclose in the integrated report, then reporting in a supplement document.
Action taken:	The specific disclosure item was amended in conjunction with the previous disclosure item 18 comments raised as follows: *"A description of benefit arising from CCI projects that affect the organisation positively"*. The related disclosure indicators were amended to include qualitative and quantitative information. The amendment to the refined CCID framework was enhanced and accurately addressed interviewee concerns (see section 7.4 for the refined CCID framework, as well as new disclosure item number 23).

Table 7.5: Interviewee comments on the initial CCID framework (continued)

Disclosure items	**Interviewee comments on the disclosure items of the initial CCID framework**
Disclosure item 21: Actuality of CCI	
Interviewee K:	The marketing aspect needs to be balanced.
Interviewee N:	Only add pictures if it adds value to the report.
Interviewee O:	This depends on what the company would like to portray to the stakeholders; however, it is necessary on the webpage.
Interviewee R:	Photographs should not be disclosed; innovative other evidence should be provided.
Interviewee V:	This is just a nice to have; it does not need to be disclosed. Assurance of CCI is much more important and provides more reliance.
Action taken:	On the basis of the above comments made by the interviewees, no amendment was made to either the specific disclosure item or the disclosure indicators as reflected in the initial CCID framework relating to this disclosure, as the CCID framework adequately addressed the importance accorded to this item by the interviewees (see tables 7.2 and 7.3).
Disclosure item 25: The organisation demonstrates its impact from CCI projects on the lives of the beneficiaries by disclosing a beneficiary statement/thank you notes or beneficiary storytelling extracts	
Interviewee I:	This should only be disclosed if it is done voluntarily by beneficiaries.
Interviewee V:	It is important to have community perceptions; however, a balanced picture relating to the outcome of the projects should be disclosed, not just the opportunity to disclose the positive outcomes.
Action taken:	On the basis of the above comments made by the interviewees, no amendment was made to either the specific disclosure item or the disclosure indicators as reflected in the initial CCID framework relating to this disclosure, as the CCID framework adequately addressed the importance accorded to this item by the interviewees (see tables 7.2 and 7.3).

The above tables and results, specifically the ranking of the CCID items included in the initial CCID framework, indicate that all items should be disclosed in some form of corporate reporting medium of JSE-listed entities. The interviewees ranked the majority of CCID items as “very important”. The most essential CCID item for disclosure in the integrated report of the organisation was disclosure item number 1: *Business rationale for CCI: Demonstrates whether the company understands CCI and has a business case for it.* The comments made by interviewees during the interviewee process added valuable insights for the refinement of the CCID framework and, in specific cases, corresponded to the discussion of additional disclosure items, which follows section A.

Section B of the interview addressed the completeness of the CCID framework by considering whether additional disclosure items should be added to the framework and whether the listed CCID items are credible, easy to understand and sufficient to meet stakeholder requirements. Section B also includes discussion questions relating to the CCID notion. The results relating to these additional discussion questions are addressed in the next section.

7.3.2 CCID framework discussion questions (section B)

Section B of the interview guide (see Appendix H), which consisted of five discussion questions relating to the initial CCID framework and CCI reporting in South Africa, is discussed in this section. It follows the ranking of importance of CCID items as presented in the initial CCID framework. Firstly, the section aims to ensure that all relevant CCID items were addressed and discussed. Secondly, it seeks to elaborate on the reporting of CCI matters in the South African context and provide a broader understanding thereof. The findings of each discussion question are summarised below.

Question 1:

Would you like to include more disclosure items, which are currently not included in the above CCID framework? If so, please list them and elaborate on why you believe they should be included.

Table 7.6 presents the additional disclosure items and comments made by the interviewees. The responses of the interviewees who did not add any additional disclosure items (i.e. they answered “none”), and regarded the CCID items in the initial CCID framework as complete, were not included in table 7.6. The interviewee answers relating to the additional disclosure items were summarised and categorised into four specific disclosure items, which were added to the initial CCID framework. These four additional disclosure items were communicated via email (see Appendix J for an example of the follow-up confirmation email) with the respective interviewees. The email requested them to confirm the new grouping of the disclosure items based on the answers they had provided. The interviewees were requested to rank the specific disclosure item according to the same Likert scale used in the interview (see Appendix H).

Eleven interviewees (see table 7.6) mentioned additional CCID items to be included in the CCID framework. Five of the interviewees responded timeously with their confirmatory answers, and the interviewees who had failed to respond were sent a follow-up reminder email two weeks later. In total, eight participants responded to the follow-up email, all of whom confirmed the grouping/categorisation of the additional disclosure items (see table 7.7). Because two of the participants omitted to rank the importance of the additional disclosure items, their responses were deemed incomplete to include in the rating calculation of the added disclosure items.

Table 7.6: Summary of interview question 1 answers

<table>
<tr><th colspan="2">Interviewee</th><th>Answers provided by interviewees</th><th>Additional CCID item</th></tr>
<tr><td>1</td><td>A</td><td>“See the rationale beyond philanthropy and the link to the organisations business model and value creation.”</td><td>How the CCI strategy is embedded within the business/company strategy.</td></tr>
<tr><td rowspan="3">2</td><td>B</td><td>“Perhaps I [would] like to see how the CCI activities relate to the overall sustainability strategy or CSI if they still call it CSI.”</td><td>How CCI is linked to the organisation’s sustainability strategy.</td></tr>
<tr><td>B</td><td>“Disclosure on impact investing and …”</td><td>Provides details of project impact outcomes.</td></tr>
<tr><td>B</td><td>“More disclosures on the social return on investment calculations.”</td><td>Not added – isolated answer.</td></tr>
</table>

Table 7.6: Summary of interview question 1 answers (continued)

Interviewee		Answers provided by interviewees	Additional CCID item
3	C	“CCI needs to be more community needs based, without any assumptions regarding what should be done.” “Companies should confirm the needs within the community, not just decide what to focus on” … ”So mine would be that they should go into the community and really understand what is the actual challenge … because there are several things happening, people come in for an hour and the next thing they have all the solutions.”	Whether CCI is linked to real social needs.
4	K	“The main one to me that is not being done is the whole impact of CCI, as there is a lot of reporting on expenditure, while other companies focus on the number of beneficiaries … What was the impact and how did you improve those lives. To me it is important because we can all take the books and comply it in a compliance way we spend so much on these sort of projects because the charter/scorecard tell you to spend 1%. But if you are doing it properly you actually understand your beneficiaries and you understand and measure your impact and that links back to the first couple of points you have raised on the strategy between CCI and what the benefits and how it aligns to your business rationale. Because if it does not focus on this it is purely a compliance driven exercise, I have got this money and I have to spend it.”	Provides details of project impact outcomes. Whether CCI is linked to real social needs.
5	L	“How did they get to decide what to do or who to benefit. Was there an external consultation process or was it informed by their strategies or part of the brand or part of the marketing of the organisation? To understand how the company decided on those themes.”	How the CCI strategy is embedded within the business/company strategy.
6	M	“What is the sustainability of the project and CCI? How it is linked to the broader sustainability approach.”	How CCI is linked to the organisation’s sustainability strategy.
7	P	“Probably more disclosures on CCI ratios, for example a percentage of revenue or percentage related to the BEE scorecard. … It will allow for a comparison between different companies perhaps that it is not just on an absolute/relative basis that you are looking at the spend … To be able to understand the context as opposed to just seeing a single Rand value which differs between a million-dollar company or a hundred million-dollar company.”	Not added – isolated comment.
	P	“The other thing just because it is very relevant at the moment is the focus on the sustainable development goals, and … whether the CCI, CSI projects should also be looking to or at least be disclosed to how they are relevant on proving or working towards the sustainable development goals.”	How CCI is linked to the organisation’s sustainability strategy. Whether CCI is linked to real social needs.

Table 7.6: Summary of interview question 1 answers (continued)

Interviewee		Answers provided by interviewees	Additional CCID item
8	R	"The impact and sustainability of CCI"	Provides details of project impact outcomes. How CCI is linked to the organisation's sustainability strategy.
9	S	"I will say firstly the alignment of CCI to the macro of the country. If you look at the macro we have challenges of unemployment, poverty and equality. How do we deal with that? How do we align with the countries transformation goals? How do we align with the massive youth unemployment problem, and finally what are we doing to become good corporate citizens. So many companies do CCI but it is not aligned with the macro of the country. Finally, I think what you need to make sure that it is sustainable. So for example if you build a school it is great to build a school but what happens the day after you build the school. Showing your building but the school does not have any water, no electricity or has no teachers. So sustainability I think is important rather than the opportunity to take a few photographs looking for approval."	How CCI is linked to the organisation's sustainability strategy. Whether CCI is linked to real social needs.
10	W	"Well when I look at CCID reporting, I think that the essential parts of CCI are the strategic and business relevant aspects of CCI. …There should be a link perhaps to the real social needs. In terms of rather than just describing the benefits or impacts or outcomes I think it will be good to link those to what are the needs that has been identified and how do those needs link to perhaps national or global imperatives such as those defined in the sustainable development goals. Possibly, also, I mean I think this probably covered in parts of the framework but how the CCI activities also help business and contribute to the different activities. I think that was in there."	Whether CCI is linked to real social needs. Provides details of project impact outcomes.
11	AA	"A disclosure item which indicated how the organisation applied their mind, when providing money for certain projects, and that there should be some kind of thought process around CCI."	How the CCI strategy is embedded within the business/company strategy.

**The colouring indicates similar grouping of answers made in response to interviewee answers, for example, 1. A, 5. L and 11. AA, gave similar answers that were grouped together.*

Table 7.7 presents the additional CCID items categorised according to the general categories of the CCID framework (see table 7.6). The grouping and ranking of importance of the additional disclosure items were confirmed through email communication with the respective interviewees subsequent to the interviewee process (for an example of such confirmation, see Appendix J). The grouping of additional CCID items to the CCI categories was confirmed as accurate by the relevant interviewees. Table 7.7 contains the additional disclosure items together with their average importance rating[47]. These disclosure items were added to the initial CCID framework to construct the refined CCID framework, which is presented in section 7.4 of this chapter.

Table 7.7: Additional disclosure items: Average rating and disclosure medium

#	General categories	Specific disclosure items	Disclosure indicators	Average
1	2. CCI strategy	5. Description of how the CCI strategy is embedded within the business/company strategy	*Link to organisation's business model and value creation *Information that enables the stakeholders to understand why certain approaches/projects are adopted	3; IR & SR
2	2. CCI strategy	7. Description of how CCI is linked to the organisation's sustainability strategy	*A description of how the CCI strategy/approach adopted focuses on sustainable CCI projects	4; IR
3	2. CCI strategy	8. Whether CCI is linked to real social needs	*A description of how the social needs of the community were identified *Alignment to the macro/transformation goals of the country	4; SR
4	4. CCI projects	17. Provides details on the impact of the project	*Quantitative/qualitative information relating to the impact of the specific CCID project *Focus should be on the impact of the investment and not on the expenditure of the project *Disclosure on the effect on society *Impact should be stated, which can include failures	4; IR

[47] The numbering assigned to the additional disclosure items in table 7.7 agrees with the numbering in the final refined CCID framework (see section 7.4).

The inclusion of disclosure item 17 deals with the issue identified by Owen et al. (2001) and Maas and Liket (2010:448), who indicated that stakeholders are increasingly demanding more detailed disclosures on the impact of CCI and corporate philanthropic activities (see section 2.5.4). Following table 7.6, the CCI experts, who included CSR researchers/academics, a sustainability assurance provider and CSI consultants (see Appendix G), recommended the inclusion of additional disclosure item 17. Adams et al. (2016) reported that companies fail to disclose the connection between social investment programmes and the benefits generated.

The inclusion of disclosure item number 17, as in table 7.7 above, and the comments on this disclosure item (see table 7.6 for additional CCID items) resulted in an amendment to the disclosure indicators of disclosure item 19 in the refined CCID framework (see section 7.4). In terms of the amendment, the organisation should provide information on how strategic objectives and impact outcomes/targets were achieved, as well as on how social capital/value was created. The additional information was included on the basis of the inclusion of additional disclosure item 17 in the CCID framework.

Question 2:

In your opinion do you feel that the listed CCID items are credible, easy to understand and sufficient to meet stakeholder requirements? Please provide reasons.

The majority of interviewees stated that the listed CCID items of the initial CCID framework were credible, easy to understand and sufficient to meet stakeholder requirements. Eight participants confirmed that the items were credible, easy to understand and sufficient to meet stakeholder requirements, but they added a comment, the details of which are contained in table 7.8 (see numbers 2 to 6). Three interviewees confirmed that the CCID items were credible and sufficient to meet stakeholder requirements, but felt that not all of the CCID items were easy to understand. The interviewer confirmed that the ambiguity they were referring to related to the comments made/questions raised throughout the rating process. All three participants agreed with the interviewer's understanding (see table 7.5 in section 7.3.1 for a summary of the comments made on the initial CCID framework and how these comments were addressed).

Table 7.8: Summary of question 2 interview answers

#	Answers provided to question 2	Number of interviewees
1	Yes.	18
2	Yes, but one can always present more CCID.	2
3	Yes, however to continuously meet stakeholder needs remains challenging.	3
4	Yes, but the use of the CCI terminology in South Africa can create confusion.	1
5	Yes, but some disclosure items [are] too operational.	1
6	Yes, one needs to make sure a CCID framework is comparative amongst different companies.	1
7	Yes, but not always easy to understand.	3
8	Indecisive answer.	1
Total number of interviewees		30

One of the interviewees who replied affirmatively to question 2, mentioned that one can always present more CCID. She explained this as follows: "*In South Africa, there will always be a greater need for reporting, as there is so much, which needs to be done. I see a company as an enabler … not a maintainer in the long run … as a company cannot take over the government's role"* (Interviewee U, Q2). In the same vein, another interviewee stated the following: "*the challenge that we are facing is that communities want organisations to disclose as much information as possible … as according to them we are not doing much*" (Interviewee Y, Q2). This statement supports the research of Hossain et al. (2015:288), who argued that CSR, and especially community development, are driven by a responsibility towards the community (see sections 2.4 and 4.4.2).

A number of the interviewees mentioned that meeting stakeholder expectations remains challenging, and this ties in with the above comments. This is because CCID are based on social obligation, which supports the accountability notion and is consistent with stakeholder theory principles, as the organisation attempts to meet stakeholder requirements even though this remains challenging (see section 4.3, chapter 4). The following challenges are central to stakeholder theory: stakeholder groups have different needs; and the expectations of the different stakeholder groups may be in conflict (Chen & Roberts, 2010:653; ISO, 2010:17).

A single interviewee was indecisive (could not answer affirmatively or negatively) when responding to question 2 of section B, because the interviewee felt that not all items were easy to understand on account of ambiguity in some of the words used[48]. All of the wording comments were discussed during section A of the interview. The recommendations and comments were considered and amended as appropriate, based on interviewee consensus (see table 7.5 for the comments, as well as appropriate action taken to rectify matters).

In essence, this question enhanced the developed CCID framework. Based on the answers and comments provided, as well as the inclusion of additional disclosure items and interviewee comments, the majority of interviewees confirmed that the CCID framework was easy to understand, credible and sufficient to meet stakeholder requirements.

Question 3:

In your opinion, should CCI reporting be standardised or benchmarked? Please provide reasons.

The third discussion question established whether the interviewees felt that there is a need for CCI reporting through a standardised or benchmarked approach in South Africa. This question addressed the need for a CCID framework. Standardisation means to make or become standard, while, according to Collins English Dictionary (2018), a standard is "a level of quality or achievement, especially a level that is sought to be acceptable". Benchmarking refers to the "comparison of practices within different companies, to decide what is most efficient" (Collins English Dictionary, 2018). Hence, the objective of standardisation is the ability to benchmark.

The developed CCID framework therefore provided a standard reporting framework for CCI reporting in South Africa. While the CCID framework included best reporting practices from top-performing CSR reporters (see research stage 1), it presented a general CCI reporting framework and did not focus on specific sectors or industries. A summary of the interviewees' answers is provided in table 7.9.

[48] The interviewee's main concern was that too much emphasis is placed on expenditure and CCI project disclosures, with hardly any emphasis on the actual impact of CCI. The lack of emphasis relating to the impact of CCI was addressed by including an additional disclosure item (see tables 7.7 and 7.8, in which additional disclosure item 17 was added on the basis of consensus among the interviewee group).

Table 7.9: Summary of question 3 interview answers

#	Answers provided to question 3	Number of interviewees
1	No	5
2	Yes	25
Total number of interviewee answers		30

Two of the interviewees, who intimated that CCI reporting should not be standardised or benchmarked, indicated that there should be a reporting guideline for CCI reporting, where the organisation can use the guideline and package the guideline as needed. Two participants also stated that the CCI reporting guideline should be principles based, that is, linked to the principles of the integrated reporting framework. Interviewee AA argued as follows: *"So for reporting disclosure I will say not standardised to the point that it becomes a checklist. This country loves [a] checklist and you lose something when it becomes a checklist. I will say I prefer something that is principles based with enough guidance on how to but with flexibility that if you do not actually do it then that is fine as you are doing what suits the organisation" (Interviewee AA, Q3).* Although the interviewees responded negatively to the question, the fact that they suggested a CCI reporting guideline supported the need for a CCI reporting structure.

The other reason advanced against the standardisation of CCI reporting pertains to the fact that this would be impossible because, by its very nature, CCI changes continuously over time. The majority of participants responded that CCI reporting should be standardised or benchmarked (83% = 25/30). This finding supported the problem statement of this study, as discussed in chapter 1, section 1.4, namely that a CCI reporting framework would assist corporate managers with the reporting of CCID. Some of the participants, who responded that standardisation should be implemented, also felt that the framework should be used as a guideline and provide flexibility for company-specific factors (suggesting a principle-based approach). Interviewee L explained CCI reporting following a principle-based approach as follows:

> *"So I think that over time it will be useful to have some standardisation but it should not be 100% standardised because I think that you have to allow companies who want to innovate in their reporting. Also to report to what is material so for example at the moment we no longer report against GRI, because we felt that it was not relevant to our stakeholders and it was not telling our story because we are interested in trying to talk about the impact of what we do, and GRI does not do that, so I think you have to have a balance. It will be useful to have some guidelines about what is best practice or what will be ideal, benchmarking can be useful as well because you want to see who is considered best practice. What is best practice, where do you step up against your peers"* (Interviewee L, Q3).

Participants supporting CCI standardisation argued that a form of standardisation is important for ensuring that CCID are comparable between companies. It is currently not possible to make any comparisons. Interviewees T and S stated the following:

> *"Standardised disclosures will be uniform and will make the analyses of the information much easier. Companies from different sectors can be compared to one another and the verification of the CCID information will be much easier to perform as companies will have to disclose information based on a set framework and will not be able to select which information they want to include/exclude"* (Interviewee T, Q3).

> *"I think it should be standardised, there should be guidelines on minimum disclosure. Because it is very difficult to compare as it is all over the place. A lot depends on the author and his or her writing skills"* (Interviewee S, Q3).

Some participants felt that benchmarking of CCI reporting would be better than standardising CCI reporting. Their reasoning stems from the fact that interviewees felt that CCI differs among companies and industries, and continuously changes over time. Two participants argued that CCI reporting is already standardised – one interviewee referred to the IIRF and GRI, while another mentioned the ISO reporting standards. These frameworks provide valuable insights into the CCI reporting field, but as explained in chapter 3, and based on the findings of the document analysis in chapter 6 (research stage 1, step 2), individually these reporting guidance documents do not present a comprehensive CCI reporting structure. As previously discussed in section 3.2.2.1 in chapter 3, Setia et al. (2015:417) suggested that regulation is more effective than voluntary disclosure systems to improve non-financial reporting. Furthermore, a number of social reporting studies recommend the development of a benchmarking system to accurately measure social disclosure outcomes (Adams, 2004:752; Hossain et al., 2015:287; Van der Ahee & Schulschenk, 2013:17). By lending support to this position, the majority of interviewees indicated that a form of standardisation or guidance should be implemented for CCI reporting.

Question 4:

In your opinion, what are the current limitations of CCI reporting?

Table 7.10 provides a summary of the interviewees' opinions on the current CCI reporting challenges in South Africa. All the reasons that were cited more than once were included in the summary. In addition to the findings of research stage 3, this question directly addressed one of the research questions of this study.

Table 7.10: Summary of question 4 interview answers

#	Answers provided to question 4	Number of interviewees
1	Community needs are not addressed	3
2	CCI impact not measured	5
3	Compliance and marketing focused	8
4	No partnership between company and NPO	2
5	CCI not well managed operationally.	2
6	No sufficient reporting standard/guidance for CCI	4
7	Disjoint between CCI managers and reporters	2
8	Incomparable between companies	3
9	CCI not fully understood by the organisation	4
10	Not transparent enough	2
Total		35[49]

In terms of the reasons listed in table 7.10, the most prominent limitation was that CCI has too much focus on compliance and marketing. Interviewee L had the following to say in this regard:

> *"I think it is too descriptive, it is marketing; it is not accountability. It is about building your brand, it is about a feel good factor, and it is about photos of freshly painted schools or staff members on Nelson Mandela Day doing things. The only quantitative element will be the really basic items like how much was spent, how many schools were painted ... So it completely lacks the outcome, the sense of measuring well what was the return on investment or how did the beneficiaries benefit"* (Interviewee L, Q4).

[49] Because the interviewees were able to provide more than one reason in their responses to question 4, the total number of reasons exceeded 30.

Furthermore, the strong emphasis placed on marketing and compliance results was because of the fact that CCID is not transparent enough, which leads to incomparable disclosures. Interviewee W explained this as follows:

> *"… Companies like to tell nice stories. They like to show nice visuals, but it is not always reflective of a corporate mind-set or culture, not always reflective of any sort of strategic approach. Often it is … just good news and happy faces and smiling kids and you know it does not really deliver real credibility. I think the limitation is that we do not know how companies are calculating what they are calculating ... and this is not comparable"* (Interviewee W, Q4).

The second limitation cited most frequently related to the fact that the impact of CCI projects is not measured. This is directly linked to one of the additional disclosure items identified in question 1 and supports the inclusion of the additional disclosure item. It is also directly linked to the most prominent limitation, namely that CCI is too focused on compliance and marketing and not on the actual CCI impact. Interviewee K explained this as follows:

> *"It is a combination of compliance and marketing. Compliance [is] spend on 1% and then there is pretty pictures of what you have done, but there is no real link back to the business and the beneficiaries and the impact and also why you are doing it. CCI should not be a charitable thing; it should actually relate to your activities, your industry where you can make a difference in the organisation …"* (Interviewee K, Q4).

One practical implication identified by the interviewees was the lack of an adequate reporting standard or guidance on CCI reporting. Other implications mentioned such as compromised transparency and comparability relate to the deemed lack of available reporting guidance (see table 7.10). These challenges underscore the problem statement of this study (see section 1.4), namely that, despite the South African regulatory initiatives (IIRC, 2013b; IODSA, 2009, 2016b), the way in which reports are prepared that disclose accurate and complete information on CCID to decision makers and stakeholders is left to corporate managers' discretion. To help South African organisations account for their CCI contributions, a reporting framework would be useful to accurately disclose such contributions.

Following the summary of reasons provided in table 7.10, some of the participants asserted that there is a lack of comparability, which is consistent with assertions in previous sustainability reporting studies (Boiral & Henri, 2017; Diouf & Boiral, 2017), which indicates that sustainability reports that apply the GRI framework are non-comparable and the information presented is inaccurate (Diouf & Boiral, 2017:658). A reason for this pertains to the complexity of sustainability disclosures and the lack of standardisation (Boiral & Henri, 2017; Diouf & Boiral, 2017) (see sections 2.4 and 3.4).

Question 5:

In your opinion, do you feel that CCI should be legislated? Please provide reasons.

The final question relates to whether CCI, as the CSR activity, should be mandated by legislation. As previously discussed in section 3.2, the BEE regulation encourages socio-economic development in South Africa, but the extent to which companies comply which this specific element of the BEE legislation is left to corporate managers' discretion. Stirling et al. (2016) suggested that to advance business and societal relations in South Africa, companies should consider how to best legislate CSR practices (section 2.4).

The interviewees responded in the same way to this last discussion question of the interview. Of the interviewees, 47% agreed that CCI should be legislated in South Africa, the main reason for this revolving around the fact that it provides a guideline to CCI giving, which is part of a business's responsibility to society. South African corporations have a responsibility towards the communities in which they operate, and these interviewees argued that it would be best to enforce this responsibility by legislating CCI. Interviewee M stated the following in this regard *"I think it is the only way you will make people/organisations do it. So, it should definitely be legislated because if it is not legislated then most organisations will not do it"* (Interviewee M, Q5).

However, 43% of the interviewees argued that legislation is not the best approach to demonstrate one's responsibility towards the community in which one operates. Generally, these interviewees suggested that compliance results in a tick-box approach, creating a silo effect[50] for CCI and limiting the business's strategic approach to and impact on CCI. Interviewee P's response summarised the general findings arguing against legislation: "*No, I think good companies will be able to achieve the objectives (which CCI reflect) in other ways. So, there [are] different ways of achieving*

[50] A silo effect denotes the lack of communication between the different sections or groups of an entity.

these objectives in a social upliftment and through good corporate behaviours that a legislated approach would result in a tick box approach. What we actually want is to encourage the company to be involved in and be as beneficial to society as a whole, rather than just being something that stands outside the actual corporation" (Interviewee P, Q5).

The responses to this question are summarised in table 7.11, which is followed by a more detailed discussion.

Table 7.11: Summary of question 5 interviewee answers

#	Answers to question 5	Number of interviewees	Percentages
1	Yes	14	47%
2	No	13	43%
3	Not sure	3	10%
Total number of interviewee participants		30	100%

Firstly, a discussion is provided of the interviewees (47%) who indicated that legislating CCI is required, and this followed by an overview of the main reasons for opposing CCI legislation. The main reasons, which emerged from the pro-regulation answers provided, revolved around the fact that legislation provides guidance, which enforces and regulates the organisation's responsibility towards the community. A number of participants indicated that it should be legislated, but only to a certain extent. They suggested limited regulation levels with/or incentives encouraging further CCI investments. Some of the interviewees commented as follows on why they thought CCI should be legislated:

> *"Look for us, it's our licence to operate. In general, mining has a terrible and bad reputation, so it is to mitigate the reputational damage. If you look at what happened to Optimum and at Marikana, it is CSI. These are social issues … For a mine CSI is significant, as it is an economic centre in a rural area … So you have a responsibility to do it properly"* (Interviewee N, Q5).

> *"It is important that we recognise that the change in our country is not just going to come from government, but that business has a critical role to play in building our nation and therefore it should be legislated"* (Interviewee X, Q5).

Of the interviewees, 43% indicated that CCI should not be legislated. The main reason that emerged from the answers provided, relates to the fact that compliance creates a CCI silo effect, which limits the social impact which CCI creates when it is integrated into the business strategy. Interviewees W and L explained in the same way that CCI should form part of the core business strategy. Interviewee L supported the shared value concept, similar to Porter and Kramer (2011), as discussed in section 2.4, that economic value should be created in a way that also creates value for society.

> *"Yes there is always a debate[r] on this, particularly with the Indian legislation. I mean what has happened within the Indian market where there is a requirement of the 2% community contribution. What that has done is [to] provide a platform for companies to leverage that approach to look at more strategic types of investment rather than just a once of contribution to charity. So there are some benefits in legislation, but, I come out on the side of "no". I do not think it should be legislated. I think companies should be encouraged far more to consider the impacts on society through their core business strategy, and not necessarily a separate community investment strategy. Therefore, my opinion would be at this point, to not add legislation in this area. Companies have a lot of legislation to deal with anyway and I am not sure this will add great value"* (Interviewee W, Q5).

> *"Legislation puts a maximum on your spending, it is not seen as a minimum it is seen as a maximum. So one that is a problem. Secondly, I think what it has done is that CCI is being seen unstrategically by the company. Very few companies see this as integrated into their business strategy – it is on the side. This is when you get painting of the schools instead of thinking about how do we have a positive social impact through our core business … so if we are causing overindebtedness and hardship for our customers it does not matter what we do in CCI, because the bigger problem is in your business practice. I think CCI needs to move the conversation to shared value … from an ethics point of view the role of business is to solve real problems and to meet real needs and to do that in a way that we make profit. If you are making profit in unethical ways, no amount of CCI is going to justify it. Also we need proper real social innovation to address the real needs of people. If business did that, the distinctions and the lines between what is government's role, what is NGO's role and what is companies' role would become more clear. But now these divisions have become very blurred and I think it is not useful or helpful and not leading into the right behaviours ... that comes right back to say well when you decided on your strategy around CCI who did you engage with? Who is giving you the mandate? Are you actually really going out and having broad stakeholder consultation to inform it or is this the pet project of the people on the board. Legislation will not deal with that, so in this case I do not think it should be legislated"* (Interviewee L, Q5).

Interviewee AA was against CCI legislation, but in favour of the idea of incentivising CCI, similar to the participants who opted for CCI legislation. The overlap in reasoning highlights the almost equal contention between opting for and against CCI legislation in South Africa.

> *"The mining companies were doing things which the municipality should be doing … whereas they (municipalities) say if you do not put this in place then the communities are not going to be happy and then they cannot operate in this community. But it is the municipalities' responsibility to do, but they have squandered the money. So now you are asking companies who are allocating and I mean the money these guys spend is crazy. This is millions and sometimes billions. It is not small change, and this is after hoping to actually make some kind of profit for that year. So, you [are] asking them to spend more money on something that they should not actually be spending money on, and the money that they should be spending on the community projects is being diverted into things that the municipality should have done in the first place … So for me it is looking at some sort of incentive to get the impact that you want … Although it needs to be very well thought through, not just to add to the kitty of treasury. If treasury would go on to ring-fence this, which is not something they do but if they ring-fence this and it goes back into the community and you could see what they are doing with this money that is a different conversation. However treasury does not ring-fence; it is like the carbon tax and the plastic bags – it does not go to environmental projects"* (Interviewee AA, Q5).

Those interviewees (10%) who did not provide an affirmative or negative response to legislating CCI in South Africa, were mainly concerned about the fact that they were not convinced that legislation would in fact increase the value of CCI. Here the term "the value" relates to the CCI expenditure or investment and the CCI impact generated. This argument ties in with that of the interviewees who responded that CCI should not be legislated (see above). However, no legislation might unfortunately result in no CCI expenditure or investments made, which resonates with the opinions of the interviewees who suggested that it should be legislated. One of the interviewees explained this contention as follows:

> *"It is something that should be very obvious but I am not sure it is. I think it probably depends on the type and size of the business. I do not think you need legislation for major companies like mining companies because if you did not report on it, you will be screwed, because the pressure is from the investor, not from the legislator. I think for juniors it might be helpful … so if legislation is covering the mining industry all the way for juniors as well … Then you are going to put pressure on companies and drive them out of business, but if they are not doing stuff in the right way then they should be out of business anyway. Therefore, it might be a yes. If done properly, it is a really difficult thing. However, if we look at SLP (Social and Labour Plans), it is a requirement for your licence. In principle, it is great, but what is happening in practice is that it is actually counterproductive, because it prevents mining companies [from] working in partnership; it prevents us from potentially funding something elsewhere, where it [would] be of far more value to the country and/or municipality, but we cannot spend it there. So I do not know what the answer is, I am not sure"* (Interviewee V, Q5).

The next section presents the findings on the presentation format of CCID, which relates to section C of the interviews conducted with the CCI experts.

7.3.3 The presentation format of CCID (section C)

In the final section of the interview (section C), the interviewees were asked to rank items on a Likert scale of 0 to 4, similar to the Likert scale applied in the first section of the interview (see Appendix H for the interview guide). This section was included in the interview in order to identify possible influential and useful ways to present CCID. Table 7.12 contains the ratings relative to measuring the importance of the CCID presentation format.

Table 7.12: The importance of CCID presentation formats

CCID presentation format	Frequency[51]					Average	Rounded
	0	1	2	3	4		
Narrative disclosures (e.g. descriptions, explanations, stories, qualitative reports)	0	1	5	10	13	3.1	3
Quantitative information, including monetary values or percentages (e.g. rand values, amounts, quantities)	0	1	2	9	17	3.3	3
Table forms (information provided in tabular format	2	1	5	11	10	2.8	3
Figures and graphs (information provided graphically)	2	1	5	8	13	2.9	3
Photographs (photographs of CCI engagements)	2	6	8	4	9	2.3	2

The interviewees were of the opinion that all types of presentation formats, with the exception of photographs, are deemed important to include as part of external reporting of CCID. Narrative (qualitative) as well as quantitative disclosures were regarded as the two most important types of disclosure presentations. These presentation formats complement each other, and qualitative and quantitative disclosures should not be viewed in isolation when presenting CCID. The dual importance of quantitative and qualitative information was underscored in the following statements:

[51] The frequency totalled only 29 interview responses, as only one interviewee strongly believed that a rating of 0 to 4 might apply to any of these presentation formats, depending on the context thereof. This interviewee could therefore not provide a ranking.

> *"People don't read, they want to visually see the facts and the figures as quantitative information, tables, figures and graphs are easy to understand, but it still needs to be backed up with narrative disclosures, which is important"* (Interviewee K).
>
> *"Qualitative information is essential for explaining CCI, as not everything needs to be quantitative when reporting"* (Interviewee J).
>
> *"Qualitative information is more likely to be read by a wide range of stakeholders, while quantitative information is important for benchmarking and accountability"* (Interviewee L).
>
> *"Table forms allows for an easy approach to disclose CCI information"* (Interviewee N).
>
> *Quantitative information is essential for CCID because it "adds value to users of the information in order to compare CCI expenditure of different companies to one another, if standardised"* (Interviewee T).

Only photographs, on average, were regarded by interviewees to be of intermediate importance. Interviewee Z stated that photographs are a mere marketing tool, and should not be disclosed in an organisation's corporate reporting. Interviewee F suggested the following: *"Photographs [are] just to look nice, it does not mean anything."* This finding agrees with the average rating, absolute value, of the actuality of CCI included in the initial CCID framework (see tables 7.2 and 7.3), disclosure item number 21. The majority of interviewees contended that photographs should be included on the organisation's corporate webpage (57%, see table 7.3), whereas only 23% felt that it should be disclosed in the integrated report of the JSE-listed entity. This finding is in line with that of a study on photographs or pictures disclosed as part of voluntary CSR disclosures in the annual reports of Malaysian listed entities (Md Zaini, 2017).

In comparison, a number of interviewees felt that the disclosure of CCI photographs is essential for corporate reporting purposes by JSE-listed entities. When referring to the frequency of the importance ratings provided by interviewees, more interviewees felt that CCI photographs were essential for disclosure purposes (9 interviewees) than those interviewees who felt that photographs should not be included or were of minor importance (8 interviewees). This confirms the view of other scholars such as Beattie et al. (2004), who argued that images are helpful when analysing and understanding annual report information.

Interviewee I commented as follows: "*Pictures tell the story better, but photographs can be manipulative too.*" This concurs with Norton's (2012) finding, namely that truthful photographs do exist, but without transparency, visual reporting poses the risk of CSR reports being somewhat dubious (see section 2.4).

The next section explains the findings relating to the follow-up interviews, the purpose of which was to validate the refined CCID framework.

7.3.4 Validation of the CCID framework

This section reports on the validation of the refined CCID framework, which includes follow-up interviews on the refined CCID framework (see section 7.2). The follow-up interviews consisted of four open-ended questions (see Appendix K) relating to the final refined CCID framework after the incorporation of expert opinions, as discussed in sections 7.3.1 and 7.3.2 above. See Appendix G for the list of interviewees who participated in the follow-up interviews.

During the follow-up interviews, the interviewees requested no changes or had no recommendations about the CCID framework. Accordingly, the final refined CCID framework, as presented in section 7.4, was the same framework as discussed during the follow-up interviews. The follow-up interviews validated the CCID framework, which was developed during research stages 1 and 2. The validation of the final CCID framework would ensure that the instrument assessed what it was supposed to (Saunders et al., 2009:603).

Furthermore, the follow-up interviews identified and discussed CCI reporting limitations and provided valuable insights into the current state of CCI reporting in South Africa. The findings of each discussion question are summarised below.

Question 1:

How far do you think that the proposed CCID framework goes towards addressing corporate community involvement (CCI) reporting in South Africa?

In general, all the interviewees were of the opinion that the CCID framework was extremely comprehensive and covered CCI reporting with adequate detail and with no omissions of important disclosure information. The interviewees mentioned that the

CCID framework provided guidance and structure to CCI reporting for JSE-listed entities. The following are examples of extracts from their answers:

> *"So, I think it is very comprehensive and uses a balance of different measures and balance different indicators"* (Interviewee L, Q1).

> *"I think it provides a standardised, transparent framework that will make it easier to compare CCI between different companies and different industries"* (Interviewee N, Q1).

> *"It is a comprehensive framework. Currently, there is a lot of uncertainty on how to present disclosures, and the framework is great to get an idea of what to report. It is of assistance to users and preparers. Companies feel a lot of pressure to report on social matters and the framework provides a great tool to guide reporting"* (Interviewee T, Q1).

> *"Business has a responsibility to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. Many corporates are unsure what this responsibility entails and how they should report on it. The proposed CCI framework will guide corporates to approach CCI in a way that the desired outcomes are reached. The proposed framework could more importantly hold business accountable for responsibilities which are currently evaded because of a lack of formal requirements and structures"* (Interviewee F, Q1).

One matter that emerged from the interviewee answers and examples of quotations provided, related to the fact that organisations are unsure on how to report on CCI matters (see extracts from interviewees N,T and F). As discussed in section 3.2 in chapter 3, mandatory requirements such as the King Code and IIRF emphasise the importance of CSR in South Africa. However, the way in which reports are prepared in order to disclose accurate and complete information on CSR (which includes CCID) for decision makers and stakeholders, is in fact left to the discretion of corporate managers (Ackers & Eccles, 2015; Horn et al., 2018). In response to the problem statement in this study, the interviewees were of the opinion that the CCID framework provides guidance for CCI reporting in South Africa.

Interviewee F's response suggested the underlying notion of accountability, which supports the ethical branch of stakeholder theory, as discussed in section 4.3.2 in chapter 4. The accountability model assumes that organisations are responsible for CCI actions and can be held accountable for them. Prior CSR research supporting the notion of accountability includes the work of Barnett (2007), Hossain et al. (2015), Meehan et al. (2006), Shen (2004) and Van der Voort et al. (2009).

Question 2:

What factors would conspire against companies reporting according to the proposed CCID framework?

A number of different factors and a combination of reasons were identified for companies not using the proposed CCID framework for reporting purposes. The most frequently cited reason related to the time and resources a company would require to report according to the framework, and in conjunction with this reason, a number of participants mentioned the fact either that there is a lack of understanding of CCI or the leadership of the organisation is not concerned with CCI reporting. Closely related to the lack of time and resources required for adequate CCI reporting was the cost of reporting.

Another common reason cited for not reporting according to the proposed CCID framework related to the sensitivity surrounding CCID. Several of the participants suggested that some stakeholder groups might use the reported information in a way that could affect the company adversely. Sensitive stakeholders include the local communities, trade unions, municipalities and political parties, even competitors that could misuse the disclosed information (Interviewee F, Q2). Community expectation increases when too much information is disclosed (Interviewee T, Q2), and municipalities "*might not like the fact that we disclose openly the amount of assistance we give to them on an annual basis*" (Interviewee N, Q2).

The deemed sensitivity associated with CCID and interested stakeholders is consistent with the work of Mitchell et al. (1997) and Yekini et al. (2015). According to the stakeholder salience framework (see section 4.3.3), a dangerous stakeholder group (e.g. local communities) could become a definitive stakeholder group when their claim is regarded as legitimate (Mitchell et al., 1997). This supports the managerial branch of stakeholder theory, which acknowledges the expectations of powerful stakeholders (Deegan, 2009). According to Interviewee L, internationally, there is greater consumer concern that demands CCID, while this is not the case in South African organisations. However, the interviewee did state that the demand from customers would increase in South Africa. The final reason cited related to the administration or implementation of the CCID framework, as the interviewees advocated that without JSE regulation, which enforces the reporting of CCI, companies would not report on it.

Interviewee S summarised the contention between cost and lack of resources or understanding as follows: "First factor is the cost issue. The cost of doing it versus the related benefits. Secondly there is a lack of knowledge or mere ignorance in JSE-listed entities/corporate managers regarding CCI or CSI, and thirdly, there is a skill set shortage relating to reporting on these matters, and I am not sure where we will get enough skills" (Interviewee S, Q2). Interviewee L supported this statement as follows:

> *"Speaking from experience of being involved in corporate reporting … one of the reasons would be the time and the resource requirements because I do not think currently most corporates would collect this information to this extent within their organisation … I think that there is a reporting fatigue in corporate. Especially so in my own company, as it is a challenge to get everyone reporting, providing the information, and providing the information in a way that you can have faith in that information"* (Interviewee L, Q2).

Interviewee K was of the opinion that CCI is not fully understood by South African organisations and therefore reporting thereof might be compromised. This view was explained as follows: *"I think it is still the understanding and the culture side of things … why it is important and why it should be done this way but also why it should be reported this way. Therefore, I think that the community side of things is still often seen as a kind of charity, that key point that you have made in the document linking it to a business strategy why you are doing it. I mean if those factors are not there then the point of reporting in this detail is not going to be understood ... I think it is still a question of trying to change that sort of attitude and understanding at senior levels that this is not a charity, it is not your BBE, this is actually about your linking to your strategy than linking to your success"* (Interviewee K, Q2).

Interviewee L supported the concern raised by the participants that CCI is not fully understood in South Africa, by stating the following: "*… most companies treat their CSI stuff in a marketing way. I think they do put a lot of this in to the public domain but it is not done systematically and it is only the good news so it is not getting the kind of a balanced approach like this framework does. So I think a lot of corporates use it for reputation purposes and marketing purposes"* (Interviewee L, Q2). The reasons advanced here corresponded to the reporting limitations as identified by the interviewees during the refinement interviews (see table 7.10 for a discussion of similar responses).

Question 3:

Given the pressure of corporate reporting on JSE-listed entities and the extent of corporate disclosures presented to users:

- *a) What corporate reporting medium should be used to disclose CCI? Why did you select this particular reporting medium?*
- *b) How often should CCI information be disclosed?*

The majority of the interviewees asserted that the integrated report is the most appropriate disclosure medium for CCID, as it is the primary and most important reporting medium of the organisation. However, four of the interviewees felt that the organisation's sustainability report and/or corporate webpage should present the CCID information because more detail can be disclosed in these reporting mediums. One of the interviewees suggested that this should be incorporated in the organisation's stakeholder engagement policy or framework, as it would be the starting point for the organisation in dealing with its CCI activities, and then the integrated report should present the main features, and the sustainability report and corporate webpages should provide more detail on these features (Interviewee K, Q3).

The prominence of the integrated report was underscored by the following statement by Interviewee F, who explained that the integrated report should "*be comprehensive and include all the company's activities. In my opinion, CCI is an integral part of business and should be viewed with other information such as financial and operational reports. This way one can determine the adequacy of a company's CCI activities in relation to the business*" (Interviewee F, Q3).

Two participants explained that although it should be disclosed in a report format, this would depend on the organisation's target audience, as there might be a variety of audiences for disclosures on CCI (Interviewees B and T, Q3). Hence, in addition to disclosure in the integrated report, the CCID could also be communicated in a more reader-friendly fashion. If the actual communities are interested in these disclosures, corporate reporting (even websites) would not suffice because of language and access barriers. As previously discussed, this reason correlated with the opinion of interviewee K, who stated that the CCID framework should be incorporated in the organisation's stakeholder engagement policy or framework.

All of the interviewees were of the opinion that annual reporting of CCID is sufficient to meet stakeholder demands. Three of them mentioned that the communication of CCID that is more regular could occur informally with specific stakeholder groups such as local communities, government and/or municipalities. One of the participants emphasised that in the event of a crisis or an incident that might have negative effects on the organisation, disclosures should be more regular on the specific matter (Interviewee B, Q3). This interviewee concluded that in the absence of any incidents that could possibly affect the organisation, annual reporting of CCI should suffice.

Question 4:

What is your overall impression of the proposed CCID framework?

In general, all the interviewees concurred that it was a logical and sensible framework, and not too onerous to report on. They felt that the framework would provide guidance to corporate managers when reporting on CCI activities and could enhance the company's disclosures. One of the participants further indicated that the improved disclosures might result in increased benefits, such as an increase in revenue for the organisation (Interviewee BB, Q4). Two of the interviewees asserted that the proposed CCID framework would allow for the comparison of CCI information between different companies (Interviewees N and L). Interviewee N explained this as follows: "*It provides a company with a roadmap of how to better communicate the CCI information to stakeholders and I think it can add value to make it possible to compare CCI between different companies and different industries*" (Interviewee N, Q4). In section 2.4, the literature emphasised that measurement that does not allow for comparison of sustainability performance remains a problem for stakeholders (Boiral & Henri, 2017; Diouf & Boiral, 2017).

Interviewee B stated the following:

> *"Yes, I think it has got a nice structure and logic to it. It makes sense, it is not too onerous, some of these reporting frameworks get a little bit too burdensome. I think for somebody who is dealing with this area let us say the foundation or the corporate affairs or whoever is dealing specifically with community involvement I think it is quite possible for them to work with this and it gives them a bit more structural framework for them to report on. So I like it"* (Interviewee B, Q4).

One of the participants recommended the inclusion of future targets in the proposed CCI framework, while another mentioned the importance of ethical practices (Interviewees F and S, Q4). The emphasis placed on ethical leadership, operations and practices concurs with a comment made by Interviewee AA during the refinement interviews (see section 7.3.2). Interviewee AA commented in question 1 of the refinement interviews that a thought process should take place when selecting specific CCI projects (see table 7.6). Interviewee AA further explained that if CCI practices are not managed and monitored, this could be a potential risk area for fraud:

> *"… in the state in which the country is, this is a potential area for fraud, because you could spend money on a project for somebody who might be getting a kick-back … It opens the door because this may not be so well controlled and that is why … all the controls … and the projects you choose are in line with the strategy. It is not because you know somebody or spend some money or gave some money to a school for cricket bats or whatever it is ... and then on the side they become a board member or they will be getting special treatment. It is open to all of that"* (Interviewee AA, Q1).

As discussed in sections 7.3.1 and 7.3.2, and based on interviewee consensus, additional disclosure items were included and applicable CCID items were amended (see table 7.5), to ensure the alignment of CCI projects with business strategy and the management of CCI (see CCID items 3.1, 3.2 and 5 of the final CCID framework in section 7.4).

The next section presents the final refined and validated CCID framework, which was the result of research stage 2, as discussed in section 7.3.

7.4 THE FINAL CCID FRAMEWORK

As stated previously, the CCID framework was developed using Coy and Dixon's (2004) disclosure index model (see chapter 5). The refined CCID framework presented in table 7.13 includes all the interview comments and amendments, based on discussions with a group of CCI experts, as explained in sections 7.3.1 and 7.3.2

above. The CCID framework presented in table 7.13 contains the following elements: general categories, specific disclosure items, disclosure indicators, weightings and the accorded importance level.

The CCID framework was refined through the interview process, and all comments made and questions raised during the interview process were reviewed and, on consensus, incorporated into the CCID framework (see section 7.3). Four additional disclosure items were added to the framework on the basis of interviewee consensus (see section 7.3.2). The majority of interviewees concurred that the CCID framework was credible, easy to understand and sufficient to meet stakeholder requirements (see table 7.8, 26/30 = 87%). However, 10% remarked that it was credible and sufficient to meet stakeholder requirements, but not always easy to understand. The interviewer thus responded to the comments made by the respective interviewees, and reviewed their comments and the questions posed during the rating process. By adding the percentages of the interviewee remarks, 97% (87% + 10%) of them confirmed that the developed CCID framework was indeed credible, easy to understand and sufficient to meet stakeholder requirements. The final refined CCID framework was validated through follow-up interviews with interviewees (see section 7.3.4). This final step ensured that the developed CCID framework accurately measures what it intends to measure.

The CCID framework, as presented in table 7.13 was used in research stage 3, namely the application of the CCID framework (see chapter 8).

Table 7.13: The CCID framework

General categories	Specific disclosure items	Disclosure indicators	Weighting	Importance
1. CCI within the organisation	1. Business rationale for CCI: Demonstrates whether the company understands CCI and has a business case for it.	*Statement by company senior management, CEO or chairperson of the board that describes the importance/relevance of CCI to the company/industry sector, and its long-term success. *Explains what CCI is and how it relates to its business strategy.	3.8	Essential
	2. The organisation understands its potential or direct social impact on communities.	*List operations with implemented local community engagement, social impact assessments, and development programmes.	3.4	Very important
	3.1 A specific board committee with explicit oversight and responsibility for CCI activities and disclosures.	*List board responsibilities relating to CCI activities and disclosures. *How the board committee responsibilities are linked to the management responsibilities.	2.8	Very important
	3.2 Management responsibilities relating to CCI activities and disclosures.	*List board responsibilities relating to CCI activities and disclosures. *How management's responsibilities are linked to the board committee responsibilities. *Size and structure of function/department/foundation responsible for CCI, reporting lines and reporting on any significant changes.	2.8	Very important

Table 7.13: The CCID framework (continued)

General categories	Specific disclosure items	Disclosure indicators	Weighting	Importance
2. CCI strategy	4. Definition and explanation of the organisation's CCI policy or approach or adherence to regulatory guidance.	*Provides a rationale for the applicable CCI focus area (e.g. reasons for selected CCI categories and geographical areas).	3.1	Very important
	5. Description of how the CCI strategy is embedded within the business/company strategy.	*Link to organisation’s business model and value creation *Information that enables the user to understand why certain approaches/projects are adopted. *How projects are aligned with the business strategy.	3.0	Very important
	6. Provides an overview of CCI objectives for financial year.	*To include outcome/impact indicators/targets. *Include qualitative and quantitative information	3.1	Very important
	7. Description of how CCI is linked to the organisation’s sustainability strategy.	*A description of how the CCI strategy/approach adopted focuses on sustainable CCI projects.	4.0	Essential
	8. Whether CCI is linked to real social needs.	*A description of how the social needs of the community are identified. *Alignment to the macro/transformation goals of the country.	4.0	Essential
	9. Provides an overview of the organisation’s CCI expenditure over the last few years (any significant events or highlights).	*Includes qualitative and quantitative information on CCI for last few years. *Explains significant changes/strategic shifts regarding CCI focus categories/geographical areas over time.	3.2	Very important
	10. Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group.	*Community stakeholder groups include, for example, beneficiaries of CCI projects, non-profit organisations, civil society and other community groups. *Describes how the company has responded to key issues raised by community stakeholder groups/grievance processes.	2.8	Very important

Table 7.13: The CCID framework (continued)

General categories	Specific disclosure items	Disclosure indicators	Weighting	Importance
3. Annual CCI expenditure	11. Definition of how the organisation determines its annual CCI budget.	*Indication of budget (e.g. percentage of net profit after tax, board discretion). *Stability from year to year. *Discuss any significant changes from the previous financial year.	2.2	Intermediate importance
	12. Provides total annual CCI expenditure figure for the financial year (with comparative figures).		3.5	Essential
	13. Provides percentage/monetary breakdown of annual CCI expenditure for each category.	*Categories of CCI include, for example, education, arts and culture, health and community upliftment.	3.1	Very important
	14. Provides percentage/monetary breakdown of annual CCI expenditure for each geographical area or business segment as most appropriate.		2.7	Very important
	15. Indicates the nature of annual CCI expenditure breakdown.	*Cash and non-cash contributions (e.g. assets, time/skills transfer/gifts in kind). *Monetary value of charitable giving. *Employee secondments and payroll giving.	2.5	Very important
4. CCI Projects	16. An inventory of all major CCI projects supported disclosing the following:			
	16.1 Provides a qualitative description of all major CCI projects.	*General description, project objectives and list specifics if applicable.	2.9	Very important
	16.2 Provides the monetary value invested for each major CCI project (comparative figures if applicable).		2.6	Very important

Table 7.13: The CCID framework (continued)

General categories	Specific disclosure items	Disclosure indicators	Weighting	Importance
4. CCI Projects	16.3 States the nature of support provided.	*Donations, sponsorships, gifts in kind, employee time/secondments, employee giving, other company resources, partnership details.	2.7	Very important
	16.4 Provides details of geographic location for each major project.		2.5	Very important
	16.5 Provides details of beneficiaries for each major project.		2.5	Very important
	16.6 Reports on the status of the major projects, including project overview with project timeline or future prospects.		2.1	Intermediate importance
	16.7 Provides details of key outputs/outcomes for each major project.	*Quantitative and qualitative information. *Assesses performance against targets.	2.7	Very important
	17. Provides details of project impact outcomes.	*Quantitative/qualitative information relating to the impact of the specific CCID project. *Focus should be on the impact of the investment and not on the expenditure of the project. *Disclosure on the effect on society, *Impact should be stated, which may include failures.	4.0	Essential
	18. Description of formal project impact assessments.	*Provides evidence of regular CCI project monitoring, evaluation and impact assessment. *Description of CCI indicators and data measurement tools.	2.3	Intermediate importance

Table 7.13: The CCID framework (continued)

General categories	Specific disclosure items	Disclosure indicators	Weighting	Importance
4. CCI Projects	19. Indicates how performance, results in meeting the return on expectation set against CCI strategy.	*Provides a sense of anticipated return on investment. *Provides, where possible, quantitative results for each evaluated project. *Provides information on how strategic objectives and impact outcomes/targets were achieved. *Provides information on how social capital/value was created. *Describes challenges, lesson learned and how lessons are being addressed.	2.5	Very important
5. Relevant regulatory measures	20. Description of CCI expenditure relative to the socio-economic development (SED) target on the BEE scorecard.	*Explains discrepancies between budget and actual expenditure, or leads/lags in expenditure relative to budget.	2.8	Very important
	21. Description of CCI expenditure in relation to the enterprise and supplier development target on the BEE scorecard.	*Explains discrepancies between budget and actual expenditure, or leads/lags in expenditure relative to budget.	2.8	Very important

Table 7.13: The CCID framework (continued)

General categories	Specific disclosure items	Disclosure indicators	Weighting	Importance
6. CCI benefits/ business value creation	22. Description of benefits arising from CCI projects that affect the country positively.	*A qualitative narrative is presented. *Descriptions can be general, relating to all CCI projects or for each specific project.	2.8	Very important
	23. Description of benefits arising from CCI projects that affect the organisation positively.	*Qualitative descriptions and quantitative benefits relating to the organisation. *Quantitative measures include: - Employee engagement effect: quantitative value saved on retention and/or value of increased employee engagement score. - Brand reputation effect: value of increased views or impressions, value, internal measure of brand value. - Increased revenue/reduced expenditure: sales driven by new market access and/or saved in mitigated risks.	2.00	Intermediate importance
7. Assurance of CCI reporting	24. An indication of whether the CCI information has been assured and the scope of external assurance provided.	*Specific aspects of the CCI programme which are assured (e.g. quantum of money spent, how the funds are applied and number of beneficiaries). *Explain the relationship between the company and the assurance provider.	3.2	Very important
8. Evidence	25. Actuality of CCI	*Photographs providing evidence of CCI activities. *Any achievements, external recognition obtained in relation to CCI activities.	2.4	Intermediate importance

Table 7.13: The CCID framework (continued)

General categories	Specific disclosure items	Disclosure indicators	Weighting	Importance
9. Corporate webpage (CW) reporting additions	26. The organisation provides a link to its CCI application form/process, if available.		3.4	Very important
	27. The organisation provides contact information of CCI representatives.		3.5	Essential
	28. The organisation discloses the beneficiary criteria of applicable CCI projects.		3.5	Essential
	29. The organisation demonstrates its impact from CCI projects on the lives of the beneficiaries by disclosing a beneficiary statement/thank you notes or beneficiary storytelling extracts.		2.9	Very important

7.5 SUMMARY AND CONCLUSION

This chapter focused on the refinement of the initial CCID framework and presented research stage 2 of this study. The initial CCID framework was refined by conducting 30 semi-structured interviews with CCI experts. The CCI experts comprised corporate managers (preparers), users and specialists in the CCI field, and they were interviewed through different mediums by utilising an interview guide. The interview consisted of three sections. The first section ranked the importance of the CCID items as listed in the initial CCID framework, which was developed during research stage 1 (see chapter 6). The second section enhanced the CCID framework and discussed matters that provide the context for CCI reporting in South Africa. The final section included a ranking of the most appropriate CCID presentation formats. As a final concluding step, the refined CCID framework was validated through conducting follow-up interviews with nine participants. The final CCID framework was refined on the basis of Coy and Dixon's (2004) research, which requires that stakeholder validation of disclosure index items should be obtained and that the opinions of knowledgeable parties should be incorporated into a developed framework.

The majority of the CCID items included in the initial framework should be disclosed in the external corporate reporting mediums of JSE-listed entities and represent "very important" disclosure items (see table 7.2). None of the CCID items were deemed to be of minor importance or removed from the initial CCID framework. The results indicated that the integrated report, sustainability report and corporate webpage were all regarded as important disclosure mediums for CCI reporting. However, based on the analysis of specific CCID items (see tables 7.3 and 7.4), the integrated report was deemed an appropriate disclosure medium for CCID. The results of the follow-up interviews conducted during the final validation step, confirmed that the integrated report was the preferred disclosure medium for CCID. Overall, the importance of CCID in the integrated report is consistent with the majority of CCID studies using only the annual report for their analysis (see Campbell et al., 2006; Yekini et al., 2017; Yekini et al., 2015; Yekini & Jallow, 2012).

Interviewees were afforded the opportunity to make comments on the CCID items, and their comments were amended on the basis of interviewee consensus (see table

7.5). Amendments included word changes (which increased specificity and inclusiveness) and the reallocation of a disclosure item (see CCID items 3.1 and 3.2) and a disclosure indicator (see CCID item 17).

The first two discussion questions specifically addressed the initial CCID framework, in order to refine and enhance the CCID framework. Four additional CCID items were identified from the interviewees' responses and incorporated in the CCID framework. The additional CCID items were confirmed with the respective interviewees, subsequent to the categorisation/grouping thereof to ensure that valid inferences were made from the answers provided. The majority of interviewees (26/30 = 87%, see table 7.8) confirmed that the developed CCID framework was easy to understand and sufficient to meet stakeholder requirements. The credibility of the CCID framework was also confirmed by all the interviewees, except for one individual who was indecisive (29/30 = 97%, see table 7.8). These findings, together with the ranking of importance ratings (section 7.3.1), confirmed that the CCID framework was indeed complete, reliable and sufficient to meet stakeholder requirements.

The remainder of the interview questions provided context for the CCI reporting notion in South Africa. Question 3 confirmed the need for CCI reporting through standardisation or benchmarking, and supported the problem statement of the study, as discussed in chapter 1. The majority of interviewees supported the position that CCI reporting requires a reporting guideline and supported CCI reporting through standardised or benchmarking alternatives. Question 4 discussed CCI reporting limitations in South Africa, and it was found that there is a combination of limitations that mutually influence one another. The most prominent reporting limitation was that CCI is too focused on marketing and compliance factors, while scant attention is paid to determining and reporting on the actual impact of CCI. These shortcomings are further exacerbated by the fact that there is no sufficient CCI reporting standard or guidance available, which leads to disclosures that are not transparent and comparable. The CCI reporting limitations that were identified supported the problem statement of this study and also directly addressed one of the research questions posed.

Question 5 confirmed that there is heated contention for or against CCI legislation in South Africa. The main views revolved around the problem that no legislation might mean no CCI, but enforcing legislation might result in possible ineffective CCI value creation.

All types of presentation formats, with the exception of photographs, were considered important to include as part of the external reporting of CCID. Qualitative and quantitative CCID were deemed significant and complement each other. The results indicated that CCID photographs are of intermediate importance, as the majority of participants regarded them as a marketing tool that does not add value to the corporate reporting of CCID.

The final follow-up interviews validated the refined CCID framework because no subsequent changes were made to the framework. The interviewees were of the opinion that the CCID framework was comprehensive and contained adequate detail and guidance for CCI reporting in South Africa. Factors that were against the proposed CCID framework included the lack of time, resources and understanding of CCI, which would increase the cost of reporting. The sensitivity of CCID was also highlighted, as stakeholders or competitors could use the information to adversely affect the company.

On the basis of the interviewees' responses, the initial CCID framework was refined and then validated. The refined and final CCID framework was presented in section 7.4 and table 7.13, and represented the CCID requirements of stakeholders. The interviews with CCI experts provided knowledgeable insights into the CCI reporting notion in South Africa, and specifically into the CCID framework.

The next chapter deals with the findings of the third research stage of the study, in which the CCID framework, as presented in section 7.4, was applied to a sample of JSE-listed entities in the Basic Materials and Financials industries.

CHAPTER 8

THE APPLICATION OF THE CCID FRAMEWORK

8.1 INTRODUCTION

The aim of this chapter is to report on the third research stage of this study, namely the application of the CCID framework, which was developed in research stages 1 and 2 (see chapters 6 and 7). This stage matches step 6 of Coy and Dixon's (2004) disclosure index model, which requires that a developed disclosure index should be crafted and tested (see section 5.4.2.3, and figure 5.3 in section 5.4.2). This chapter presents the findings of research stage 3, which measured the extent and quality of CCID within a sample of South African JSE-listed entities and answered the following research questions as formulated in chapter 1 (see section 1.5):

- What is the current nature, extent and quality of CCID made by JSE-listed companies?
- How are the information needs of stakeholders currently being met?
- What are the current limitations on CCI reporting in South Africa?

Since it would not have been possible and practical to examine the present or future application of the CCID framework, during this research stage a deductive content analysis approach was adopted, by applying the developed disclosure index. This is similar to the approach followed in previous voluntary disclosure studies such as those of An (2012), Md Zaini (2017), Samkin et al. (2014) and Schneider and Samkin (2008). This study specifically extended the CCID literature by using a more sophisticated quality measure than the one utilised in previous studies (see Yekini & Jallow, 2012, and section 5.4.2.3, chapter 5).

The chapter commences with an overview of the research approach, as outlined in chapter 5 and discussed in section 8.2. The results of the content analysis applying the CCID framework are discussed in section 8.3. Regarding the content analysis results, the findings relating to the integrated reports are first explained, and this is followed by a discussion of the findings on the sustainability reports and then the corporate webpages. A year-on-year comparison is individually presented in each of the integrated reporting and sustainability report analyses. Thereafter the results of the comparison between integrated reporting and sustainability reporting and the Basic Materials and Financials industry analysis are explained. The discussion of the results in this chapter concludes the application of the CCID framework.

8.2 RESEARCH APPROACH FOR THE APPLICATION OF THE CCID FRAMEWORK

Following the research approach discussed in section 5.4.2.3, chapter 5, the sample of 116 corporate documents (60 integrated reports [IR], 36 sustainability or equivalent reports [SR] and 20 corporate webpages [CW]), from 20 JSE-listed entities were analysed during research stage 3, which covered the 2015, 2016 and 2017 reporting periods. A purposive sample was drawn from the JSE-listed population of companies using the largest companies, based on market capitalisation in each of the Basic Materials and Financials industries (see section 5.4.1.4, chapter 5).

Table 8.1 indicates the sample of companies with the corporate reporting analysed for the application of the CCID framework.

Table 8.1: Research stage 3: Corporate reporting sample

#	Companies	CW	IR 2015	IR 2016	IR 2017	SR 2015	SR 2016	SR 2017
Basic Materials								
1	Anglo American Platinum Ltd	✔	✔	✔	✔	✔	✔	✔
2	Kumba Iron Ore Ltd	✔	✔	✔	✔	✔	✔	✔
3	Exxaro Resources Ltd	✔	✔	✔	✔	✔	✔	✔
4	Impala Platinum Holdings Ltd	✔	✔	✔	✔	✔	✔	✔
5	Assore Ltd	✔	✔	✔	✔	✔	✔	✔
6	Northam Platinum Ltd	✔	✔	✔	✔	✕	✕	✕
7	AECI Ltd	✔	✔	✔	✔	✕	✕	✕
8	Harmony Gold Mining Company Ltd	✔	✔	✔	✔	✕	✕	✕
9	Omnia Holdings Ltd	✔	✔	✔	✔	✕	✔	✔
10	Arcelormittal South Africa Ltd	✔	✔	✔	✔	✕	✕	✕
Basic Materials total (57)		**10**	**10**	**10**	**10**	**5**	**6**	**6**
Financials								
1	Firstrand Ltd*	✔	✔	✔	✔	✔	✔	✕
2	Standard Bank Group Ltd	✔	✔	✔	✔	✔	✔	✔
3	Sanlam Ltd	✔	✔	✔	✔	✔	✕	✕
4	Nedbank Group Ltd	✔	✔	✔	✔	✔	✔	✔
5	Capitec Bank Holdings Ltd	✔	✔	✔	✔	✕	✕	✕
6	Discovery Ltd	✔	✔	✔	✔	✔	✔	✔
7	RMB Holdings Limited (part of FirstRand Group)	✔	✔	✔	✔	✔	✔	✕
8	Growthpoint Properties Ltd	✔	✔	✔	✔	✕	✔	✔
9	Redefine Properties Ltd	✔	✔	✔	✔	✔	✔	✔
10	PSG Group Ltd	✔	✔	✔	✔	✕	✕	✕
Financials total (59)		**10**	**10**	**10**	**10**	**7**	**7**	**5**
Total (116)		**20**	**20**	**20**	**20**	**12**	**13**	**11**

** The Firstrand Group published a report to society for each subsidiary, namely First National Bank, Rand Merchant Bank and Wesbank. As part of the FirstRand Ltd analysis, all reports relating to First National Bank and Wesbank were included in the analysis. Rand Merchant Bank was analysed separately (see company #7).*

Table 8.1 indicates that from the sample of companies selected, the Basic Materials companies represented 57 reports and Financials industry 59 reports. Omnia Holdings Ltd and Growthpoint Properties Ltd published a sustainability report from 2016 onwards, while Sanlam Ltd published a sustainability report in 2015 and then discontinued publication thereof. No specific trend in the publication of sustainability reports was apparent in the sample of companies included. Since the publication of an integrated report is a mandatory requirement in South Africa, all companies have an integrated report for each financial year included in the period.

A coding scheme comprising the coding decision rules (table 5.8), pre-defined categories (CCID framework in table 7.13) and quality criteria for CCID scoring (table 5.5) was used to ensure accurate coding in this study (see section 5.4.2.3). The pilot review followed the steps of Weber (1990:21-24), and the results of the inter-coder reliability tests (agreement), according to Krippendorff's alpha (tables 5.6 and 5.9), provided sufficient evidence that the coding did ensure the reliability of the coding process.

The corporate webpages of the 20 companies in the sample were scrutinised to identify relevant CCID sections. In some instances, CCID sections were disclosed as an independent category, while in others, they were grouped with the sustainability or BEE disclosures. To ensure the accuracy and completeness of the corporate webpage analysis, all sustainability, BEE, CSI or CSR sections were scrutinised for relevant CCID. To ensure a proper audit trail, a number of print screens were taken and included in the analysed file. All CCID sections were transferred to an MS Word document and converted into a pdf document to enable the coder to proceed with the coding of CCID in ATLAS.ti.

Similar to the content analysis in research stage 1, in order to control for any substantial changes to CCI content on corporate webpages, according to McMillan (2000:85), rapid data collection is essential for the investigation of CCI on corporate webpages. All corporate webpages of the sample for research stage 3 were analysed in the same window period (27 April to 5 May 2018). In both industries, there was one company that did not present CCID on its corporate website.

Any stand-alone pdf documents that were available for downloading under the relevant CCID sections were included in the corporate webpage analysis. Examples included AECI Ltd: Socio-economic development investments; Amplats Ltd: Specific project factsheets; and Impala Ltd: Approach to CSI and applicable CCID news releases. The social and labour plans (SLPs) relevant to the Basic Materials industry were not included in this analysis, even if they were available as a downloadable document on the corporate webpage. The SLPs were excluded because the purpose of an SLP is to demonstrate the organisations' position in relation to CCI of specific mines, when a company applies for mining rights. Within the SLPs, the focus mainly relates to the targets and timelines of some but not all of the organisation's CCI activities (see section 3.2.1, chapter 3).

The following section focuses on the content analysis and findings relating to the application of the CCID framework (research stage 3).

8.3 FINDINGS ON RESEARCH STAGE 3: CCID FRAMEWORK APPLICATION

This section focuses on the findings of the CCID framework application. The analysis draws on the method used by An (2012), Hooks, Coy and Davey (2002), Md Zaini (2017) and Schneider and Samkin (2008). In sections 8.3.1, 8.3.2 and 8.3.3, the content analysis results are presented individually for each corporate reporting medium. At the end of sections 8.3.1 and 8.3.2, an annual comparison is presented. In addition to the quantitative analysis of qualitative data presented in sections 8.3.1 to 8.3.3, sections 8.3.4 and 8.3.5 explain the statistical results of the comparison between the integrated and sustainability reporting mediums and the statistical results of the analysis comparing the Basic Materials and Financials industry.

Tables 8.2 to 8.10 contain an item-by-item analysis of the disclosure frequency, average quality score and importance levels. The disclosure frequency refers to the number of companies obtaining a particular quality score, and the frequency ranges between 0, indicating no disclosure, and 5, indicating full disclosure (see table 5.5). Rounding was used in accordance with Schneider and Samkin's suggestion (2008). Because coding was applied to each sentence, a number of sentences that included the same CCID item had different quality scores. The average of the number of sentences was rounded to an absolute value. Following the method of An (2012) and Md Zaini (2017), the average disclosure score represented a normalised quality measure (0-1) for the reporting of each CCID item. The importance levels represented the weighting assigned to the CCID items by the CCI experts during research stage 2 (see table 7.13).

The disclosure frequency indicates the extent of CCI reporting, while the average disclosure score represents the quality of the CCID made by the sample of companies analysed. A comparison between the average disclosure score and importance level indicates how consistent the CCID were in meeting the CCI experts' opinion of stakeholder “best practice” requirements. When a CCID item obtained a high disclosure score for a disclosure item that was deemed “very important” or “essential” by the CCI experts, it was consistent with stakeholder requirements of “best practice” disclosure. Similarly, if a CCID item achieved a low disclosure quality score that was deemed relatively important for disclosure purposes by the CCI experts, then the CCID item did not meet “best practice” disclosure for the sample of JSE-listed companies analysed. Where a column contains “n/a”, the CCID item was only scored out of a maximum of three because of its narrative nature (see section 5.4.2.3).

All the content analysis data was exported from ATLAS.ti to MS Excel, which eliminated any capturing errors. All the content analysis data is available on request.

8.3.1 CCID application: Content analysis findings on the integrated report

In South Africa, the annual completion of an integrated report is a mandatory requirement for JSE-listed entities (see chapter 3). The 60 integrated reports of the sample of companies were analysed for a three-year period, 2015 to 2017 (see table 8.1). The sample of integrated reports was scrutinised to identify relevant CCID sections. In some instances, CCID sections were specifically disclosed under the social and relationship capital section, while in others, they were integrated with employee-related disclosures, stakeholder management disclosures, health and safety disclosures and/or management review disclosures. The number of sentences counted for each CCID item in each of the reporting periods for the integrated report is contained in Appendix L.

8.3.1.1 Content analysis findings on the integrated report for 2017

Table 8.2 contains an item-by-item analysis of the disclosure frequency, average quality score and the importance levels for the integrated report during the 2017 financial year.

Table 8.2: CCID content analysis of integrated reports for 2017

CCID framework*		Frequency IR 2017						Average disclosure score (0-1)	Importance level
General categories	**Specific CCID items**	**0**	**1**	**2**	**3**	**4**	**5**		
1. CCI within the organisation	1. Business rationale for CCI: Demonstrates whether the company understands CCI and has a business case for it.	10	0	6	4	n/a	n/a	0.4	Essential
	2. The organisation understands its potential/direct social impact on communities.	14	0	5	1	0	0	0.1	Very important
	3.1 A specific board committee with explicit oversight and responsibility for CCI activities and disclosures.	10	0	0	10	n/a	n/a	0.5	Very important
	3.2 Management responsibilities relating to CCI activities and disclosures.	18	1	0	1	n/a	n/a	0.1	Very important
2. CCI strategy	4. Definition and explanation of the organisation's CCI policy/approach or adherence to regulatory guidance.	13	0	0	7	n/a	n/a	0.4	Very important
	5. Description of how the CCI strategy is embedded within the business/company strategy.	10	0	2	8	n/a	n/a	0.5	Very important
	6. Provides an overview of CCI objectives for financial year.	5	0	2	13	0	0	0.4	Very important
	7. Description of how CCI is linked to the organisation’s sustainability strategy.	14	0	3	3	n/a	n/a	0.3	Essential
	8. Indicates whether CCI is linked to real social needs.	12	0	1	7	n/a	n/a	0.4	Essential
	9. Provides an overview of the organisation’s CCI expenditure over the last few years (any significant events or highlights).	11	0	0	2	3	4	0.4	Very important
	10. Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group.	5	0	4	11	n/a	n/a	0.7	Very important

Table 8.2: CCID content analysis of integrated reports for 2017 (continued)

CCID framework*		**Frequency IR 2017**						**Average disclosure score (0-1)**	**Importance level**
General categories	**Specific CCID items**	**0**	**1**	**2**	**3**	**4**	**5**		
3. Annual CCI expenditure	11. Definition of how the organisation determines its annual CCI budget.	17	0	1	1	1	0	0.1	Intermediate importance
	12. Provides total annual CCI expenditure figure for the financial year (with comparative figures).	4	0	0	0	6	10	0.7	Essential
	13. Provides percentage/monetary breakdown of annual CCI expenditure for each category.	15	0	0	0	5	0	0.2	Very important
	14. Provides percentage/monetary breakdown of annual CCI expenditure for each geographical area or business segment, as most appropriate.	14	0	0	0	3	3	0.3	Very important
	15. Provides nature of annual CCI expenditure breakdown.	19	0	0	0	0	1	0.1	Very important
4. CCI Projects	16. An inventory of all major CCI projects supported disclosing the following:								
	16.1 Provides a qualitative description of all major CCI projects.	5	0	1	14	n/a	n/a	0.7	Very important
	16.2 Provides the monetary value invested for each major CCI project (comparative figures if applicable).	10	0	0	0	0	10	0.5	Very important
	16.3 States the nature of support provided.	9	0	0	11	n/a	n/a	0.6	Very important
	16.4 Provides details of geographic location for each major project.	9	0	0	11	n/a	n/a	0.6	Very important
	16.5 Provides details of beneficiaries for each major project.	12	0	0	8	n/a	n/a	0.4	Very important
	16.6 Report on the status of the major projects, including project overview with project timeline or future prospects.	10	0	0	10	n/a	n/a	0.5	Intermediate importance
	16.7 Provides details of key outputs/outcomes for each major project.	7	0	0	1	5	7	0.6	Very important
	17. Provides details of project impact outcomes	13	0	3	1	2	1	0.2	Essential
	18. Description of formal project impact assessments.	18	0	0	2	0	0	0.1	Intermediate importance
	19. Indicates how performance results in meeting the return on expectation set against CCI strategy.	18	0	0	1	0	1	0.1	Very important

Table 8.2: CCID content analysis of integrated reports for 2017 (continued)

CCID framework*		Frequency IR 2017						Average disclosure score (0-1)	Importance level
General categories	**Specific CCID items**	**0**	**1**	**2**	**3**	**4**	**5**		
5. Relevant regulatory measures	20. Description of CCI expenditure relative to the socio-economic development (SED) target on the BEE scorecard.	19	0	1	0	0	0	0.0	Very important
	21. Description of CCI expenditure in relation to the enterprise and supplier development target on the BEE scorecard.	20	0	0	0	0	0	-	Very important
6. CCI benefits/business value creation	22. Description of benefits arising from CCI projects that positively affect the country.	20	0	0	0	n/a	n/a	-	Very important
	23. Description of benefits arising from CCI projects that positively affect the organisation.	19	0	1	0	0	0	0.0	Intermediate importance
7. Assurance of CCI reporting	24. An indication of whether the CCI information has been assured and the scope of external assurance provided.	19	0	0	1	n/a	n/a	0.1	Very important
8. Evidence	25. Actuality of CCI	13	0	1	6	n/a	n/a	1	Intermediate importance

* The CCID item numbering follows the final refined CCID framework (see section 7.4, table 7.13).
"Frequency" refers to the number of companies obtaining a particular quality score (rounded to 0-5).
"Average disclosure score" represents a normalised quality measure (0-1) for the reporting of each CCID item, for example, in CCID item 1, the average quality score of 0.4 was calculated as follows ((10*0) + (0*1) + (6*2) + (4*3))/(20*3).
"Importance level" is the average rating allocated to each CCID items by the CCI experts during research stage 2 (see section 7.4, table 7.13).

In general category 1, *CCI within the organisation,* none of the specific disclosure items had an average disclosure score higher than 0.5. The best-performing item was CCID item 3.1, *A specific board committee with explicit oversight and responsibility for CCI activities and disclosures.* Of the sample, 50% achieved the maximum score for this disclosure item. However, 90% of the companies did not disclose CCID item 3.2, *Management responsibilities relating to CCI activities and disclosures*. Overall, this category was under-disclosed, according to the CCI expert “best practice”, thus failing to meet stakeholder requirements.

In general category 2, CCI strategy, CCID item 10, Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group, was the highest-scoring item. This was consistent with the CCI expert “best practice”, which rated this item as “very important”. CCID item 7, Description of how CCI is linked to the organisation’s sustainability strategy, was the worst-performing item, even though it was rated as an “essential” disclosure item. Overall, this category was under-disclosed, according to the CCI expert “best practice”, and accordingly failed to meet stakeholder requirements, with the exception of CCID item 10, as mentioned above.

In general category 3, *Annual CCI expenditure,* CCID item 12, *Provides total annual CCI expenditure figure for the financial year (with comparative figures),* was the highest-scoring item, which was consistent with the CCI expert “best practice”, which rated this item as an “essential” disclosure item. The other CCID items were under-disclosed according to the CCI expert “best practice”, thus failing to meet stakeholder requirements.

In general category 4, *CCI projects*, the major CCI projects (CCID item 16) had a relatively high level of disclosure, of which all items, with the exception of CCID item 16.5, *Provides beneficiaries for each major project*, were consistent with the CCI expert “best practice”. However, CCID items 17, 18 and 19 were under-disclosed, according to the CCI expert “best practice”, thus failing to meet stakeholder requirements.

General category 5, *Relevant regulatory measures,* general category 6, *CCI benefits/business value creation*, general category 7, *Assurance of CCI reporting,* and general category 8, *Evidence of CCI*, were under-disclosed, according to the CCI expert “best practice” stakeholder disclosures, thus failing to meet stakeholder requirements.

8.3.1.2 Content analysis findings on the integrated report for 2016

Table 8.3 provides an item-by-item analysis of the disclosure frequency, average quality score and the importance levels for the integrated report during the 2016 financial year.

Table 8.3: CCID content analysis of integrated reports for 2016

CCID framework*		Frequency IR 2016						Average disclosure score (0-1)	Importance level
General categories	**Specific CCID items**	**0**	**1**	**2**	**3**	**4**	**5**		
1. CCI within the organisation	1. Business rationale for CCI: Demonstrates whether the company understands CCI and has a business case for it.	8	0	6	6	n/a	n/a	0.5	Essential
	2. The organisation understands its potential/direct social impact on communities.	16	0	2	1	1	0	0.1	Very important
	3.1 A specific board committee with explicit oversight and responsibility for CCI activities and disclosures.	10	0	1	9	n/a	n/a	0.5	Very important
	3.2 Management responsibilities relating to CCI activities and disclosures.	18	0	2	0	n/a	n/a	0.1	Very important
2. CCI strategy	4. Definition and explanation of the organisation's CCI policy/approach or adherence to regulatory guidance.	9	0	2	9	n/a	n/a	0.5	Very important
	5. Description of how the CCI strategy is embedded within the business/company strategy.	11	0	1	8	n/a	n/a	0.4	Very important
	6. Provides an overview of CCI objectives for financial year.	4	0	2	14	0	0	0.5	Very important
	7. Description of how CCI is linked to the organisation’s sustainability strategy.	14	0	2	4	n/a	n/a	0.3	Essential
	8. Indicates whether CCI is linked to real social needs.	11	0	2	7	n/a	n/a	0.4	Essential
	9. Provides an overview of the organisation’s CCI expenditure over the last few years (any significant events or highlights).	11	0	0	4	1	4	0.4	Very important
	10. Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group.	6	0	3	11	n/a	n/a	0.7	Very important

Table 8.3: CCID content analysis of integrated reports for 2016 (continued)

CCID framework*		Frequency IR 2016						Average disclosure score (0-1)	Importance level
General categories	**Specific CCID items**	**0**	**1**	**2**	**3**	**4**	**5**		
3. Annual CCI expenditure	11. Definition of how the organisation determines its annual CCI budget.	19	0	0	1	0	0	0.0	Intermediate importance
	12. Provides total annual CCI expenditure figure for the financial year (with comparative figures).	5	0	0	0	6	9	0.7	Essential
	13. Provides percentage/monetary breakdown of annual CCI expenditure for each category.	18	0	0	0	2	0	0.1	Very important
	14. Provides percentage/monetary breakdown of annual CCI expenditure for each geographical area or business segment, as most appropriate.	20	0	0	0	0	0	-	Very important
	15. Provides nature of annual CCI expenditure breakdown.	20	0	0	0	0	0	-	Very important
4. CCI Projects	16. An inventory of all major CCI projects supported disclosing the following:								
	16.1 Provides a qualitative description of all major CCI projects.	5	0	2	13	n/a	n/a	0.7	Very important
	16.2 Provides the monetary value invested for each major CCI project (comparative figures if applicable).	9	0	0	0	0	11	0.6	Very important
	16.3 States the nature of support provided.	10	0	0	10	n/a	n/a	0.5	Very important
	16.4 Provides details of geographic location for each major project.	10	0	0	10	n/a	n/a	0.5	Very important
	16.5 Provides details of beneficiaries for each major project.	11	0	0	9	n/a	n/a	0.5	Very important
	16.6 Report on the status of the major projects, including project overview with project timeline or future prospects.	13	0	0	7	n/a	n/a	0.4	Intermediate importance
	16.7 Provides details of key outputs/outcomes for each major project.	8	0	0	1	1	10	0.6	Very important
	17. Provides details of project impact outcomes	13	0	1	5	0	1	0.2	Essential
	18. Description of formal project impact assessments.	19	0	0	1	0	0	0.0	Intermediate importance
	19. Indicates how performance, results in meeting the return on expectation set against CCI strategy.	15	0	2	2	0	1	0.2	Very important

Table 8.3: CCID content analysis of integrated reports for 2016 (continued)

CCID framework*		**Frequency IR 2016**						**Average disclosure score (0-1)**	**Importance level**
General categories	**Specific CCID items**	**0**	**1**	**2**	**3**	**4**	**5**		
5. Relevant regulatory measures	20. Description of CCI expenditure relative to the socio-economic development (SED) target on the BEE scorecard.	19	0	1	0	0	0	0.0	Very important
	21. Description of CCI expenditure in relation to the enterprise and supplier development target on the BEE scorecard.	20	0	0	0	0	0	-	Very important
6. CCI benefits/business value creation	22. Description of benefits arising from CCI projects that positively affect the country.	18	0	1	1	n/a	n/a	0.1	Very important
	23. Description of benefits arising from CCI projects that positively affect the organisation.	20	0	0	0	0	0	-	Intermediate importance
7. Assurance of CCI reporting	24. An indication of whether the CCI information has been assured and the scope of external assurance provided.	18	0	0	2	n/a	n/a	0.1	Very important
8. Evidence	25. Actuality of CCI	14	0	1	5	n/a	n/a	0.3	Intermediate importance

* The CCID item numbering follows the final refined CCID framework (see table 7.13, section 7.4).
“Frequency” refers to the number of companies obtaining a particular quality score (rounded to 0-5)
“Average disclosure score” represents a normalised quality measure (0-1) for the reporting of each CCID item, for example, in CCID item 2, the average quality score of 0.1 was calculated as follows ((16*0) + (0*1) + (2*2) + (1*3) + (1*4) + (0*5))/(20*5).
“Importance level” is the average rating allocated to each CCID items by the CCI experts during research stage 2 (see table 7.13, section 7.4).

In general category 1, *CCI within the organisation,* none of the specific disclosure items had an average disclosure score higher than 0.5. The best-performing items were CCID item 1, *Business rationale for CCI: Demonstrates whether the company understands CCI and has a business case for it,* and CCID item 3.1, *A specific board committee with explicit oversight and responsibility for CCI activities and disclosures.* Both of these disclosure items had an average disclosure score of 0.5. However, the other items, namely CCID item 2, *The organisation understands its potential/direct social impact on communities,* and CCID item 3.2, *Management responsibilities relating to CCI activities and disclosures,* were under-disclosed. Overall, this category was under-disclosed according to the CCI expert “best practice”, thus failing to meet stakeholder requirements.

In general category 2, CCI strategy, CCID item 10, Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group, was the highest-scoring item, which was consistent with the CCI expert “best practice”, which rated this item as “very important”. CCID item 7, Description of how CCI is linked to the organisation’s sustainability strategy, was the worst-performing item, even though it was rated as an essential disclosure item. Overall, this category was under-disclosed, according to the CCI expert “best practice”, thus failing to meet stakeholder requirements, with the exception of CCID item 10, as mentioned above.

In general category 3, *Annual CCI expenditure,* CCID item 12, *Provides total annual CCI expenditure figure for the financial year (with comparative figures),* was the highest-scoring item, which was consistent with the CCI expert “best practice”, which rated this item as an “essential” disclosure item. The other CCID items were severely under-disclosed, because only three companies provided some form of disclosure on the remaining CCID items. Overall, the disclosure of these items did not meet the CCI expert “best practice”, thus failing to meet stakeholder requirements.

In general category 4, *CCI projects*, the major CCI projects (CCID item 16) had a relatively high level of disclosure, of which all the “very important items” obtained a minimum average disclosure score of 0.5. However, CCID items 17, 18 and 19 were under-disclosed according to the CCI expert “best practice”, thus failing to meet stakeholder requirements.

General category 5, *Relevant regulatory measures,* general category 6, *CCI benefits/business value creation*, general category 7, *Assurance of CCI reporting,* and general category 8, *Evidence of CCI*, were under-disclosed according to the CCI expert “best practice”, thus failing to meet stakeholder requirements.

8.3.1.3 Content analysis findings on the integrated report for 2015

Table 8.4 provides an item-by-item analysis of the disclosure frequency, average quality score and the importance levels for the integrated report during the 2015 financial year.

Table 8.4: CCID content analysis of integrated reports for 2015

CCID framework*		Frequency IR 2015						Average disclosure score (0-1)	Importance level
General categories	**Specific CCID items**	**0**	**1**	**2**	**3**	**4**	**5**		
1. CCI within the organisation	1. Business rationale for CCI: Demonstrates whether the company understands CCI and has a business case for it.	12	0	2	6	n/a	n/a	0.4	Essential
	2. The organisation understands its potential/direct social impact on communities.	17	0	1	2	0	0	0.1	Very important
	3.1 A specific board committee with explicit oversight and responsibility for CCI activities and disclosures.	5	0	4	11	n/a	n/a	0.7	Very important
	3.2 Management responsibilities relating to CCI activities and disclosures.	16	1	0	3	n/a	n/a	0.2	Very important
2. CCI strategy	4. Definition and explanation of the organisation's CCI policy/approach or adherence to regulatory guidance.	9	0	1	10	n/a	n/a	0.5	Very important
	5. Description of how the CCI strategy is embedded within the business/company strategy.	12	1	1	6	n/a	n/a	0.4	Very important
	6. Provides an overview of CCI objectives for financial year.	6	0	1	13	0	0	0.4	Very important
	7. Description of how CCI is linked to the organisation's sustainability strategy.	15	0	4	1	n/a	n/a	0.2	Essential
	8. Indicates whether CCI is linked to real social needs.	14	0	3	3	n/a	n/a	0.3	Essential
	9. Provides an overview of the organisation's CCI expenditure over the last few years (any significant events or highlights).	8	0	1	3	4	4	0.5	Very important
	10. Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group.	5	0	4	11	n/a	n/a	0.7	Very important

Table 8.4: CCID content analysis of integrated reports for 2015 (continued)

CCID framework*		**Frequency IR 2015**						**Average disclosure score (0-1)**	**Importance level**
General categories	**Specific CCID items**	**0**	**1**	**2**	**3**	**4**	**5**		
3. Annual CCI expenditure	11. Definition of how the organisation determines its annual CCI budget.	18	0	0	1	0	1	0.1	Intermediate importance
	12. Provides total annual CCI expenditure figure for the financial year (with comparative figures).	3	0	0	0	5	12	0.8	Essential
	13. Provides percentage/monetary breakdown of annual CCI expenditure for each category.	19	0	0	0	1	0	0.0	Very important
	14. Provides percentage/monetary breakdown of annual CCI expenditure for each geographical area or business segment, as most appropriate.	14	0	0	0	2	4	0.3	Very important
	15. Provides nature of annual CCI expenditure breakdown.	20	0	0	0	0	0	-	Very important
4. CCI projects	16. An inventory of all major CCI projects supported disclosing the following:								
	16.1 Provides a qualitative description of all major CCI projects.	7	0	0	13	n/a	n/a	0.7	Very important
	16.2 Provides the monetary value invested for each major CCI project (comparative figures if applicable).	12	0	0	0	1	7	0.4	Very important
	16.3 States the nature of support provided.	8	0	0	12	n/a	n/a	0.6	Very important
	16.4 Provides details of geographic location for each major project.	8	0	0	12	n/a	n/a	0.6	Very important
	16.5 Provides details of beneficiaries for each major project.	9	0	0	10	n/a	n/a	0.6	Very important
	16.6 Report on the status of the major projects, including project overview with project timeline or future prospects.	10	0	0	9	n/a	n/a	0.5	Intermediate importance
	16.7 Provides details of key outputs/outcomes for each major project.	8	0	0	2	5	5	0.5	Very important
	17. Provides details of project impact outcomes	14	0	1	2	3	0	0.2	Essential
	18. Description of formal project impact assessments.	15	0	2	3	0	0	0.1	Intermediate importance
	19. Indicates how performance, results in meeting the return on expectation set against CCI strategy.	13	0	3	1	1	2	0.2	Very important

Table 8.4: CCID content analysis of integrated reports for 2015 (continued)

CCID framework*		Frequency IR 2015						Average disclosure score (0-1)	Importance level
General categories	**Specific CCID items**	**0**	**1**	**2**	**3**	**4**	**5**		
5. Relevant regulatory measures	20. Description of CCI expenditure relative to the socio-economic development (SED) target on the BEE scorecard.	18	0	2	0	0	0	0.0	Very important
	21. Description of CCI expenditure in relation to the enterprise and supplier development target on the BEE scorecard.	20	0	0	0	0	0	-	Very important
6. CCI benefits/business value creation	22. Description of benefits arising from CCI projects that positively affect the country.	20	0	0	0	n/a	n/a	-	Very important
	23. Description of benefits arising from CCI projects that positively affect the organisation.	19	0	1	0	0	0	0.0	Intermediate importance
7. Assurance of CCI reporting	24. An indication of whether the CCI information has been assured and the scope of external assurance provided.	19	0	0	1	n/a	n/a	0.1	Very important
8. Evidence	25. Actuality of CCI	14	0	1	5	n/a	n/a	0.3	Intermediate importance

* The CCID item numbering follows the final refined CCID framework (see section 7.4, table 7.13).
"Frequency" refers to the number of companies obtaining a particular quality score (rounded to 0-5).
"Average disclosure score" represents a normalised quality measure (0-1) for the reporting of each CCID item, for example, in CCID item 1, the average quality score of 0.4 was calculated as follows: ((12*0) + (0*1) + (2*2) + (6*3))/(20*3).
"Importance level" is the average rating allocated to each CCID items by the CCI experts during research stage 2 (see section 7.4, table 7.13).

In general category 1, CCI within the organisation, the best-performing item was CCID item 3.1, *A specific board committee with explicit oversight and responsibility for CCI activities and disclosures*, of which 75% of the sample provided disclosures on this specific item. CCID item 2, *The organisation understands its potential/direct social impact on communities*, was the worst-performing item, because 85% of the sample did not present any form of disclosure on this item. With the exception of CCID item 3.1, this category was under-disclosed according to the CCI expert "best practice", thus failing to meet stakeholder requirements.

In general category 2, CCI strategy, CCID item 10, Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group, was the highest-scoring item, with an average disclosure score of 0.7. This was consistent with the CCI expert "best practice", which rated this item as "very important". CCID item 7, Description of how CCI is linked to the organisation's sustainability strategy, was the worst-performing item, even though it was rated as an "essential" disclosure item. Of the sample analysed, 75% did not provide disclosures on this specific CCID item. Overall, with the exception of CCID item 10 (as mentioned above), this category was under-disclosed according to the CCI expert "best practice", thus failing to meet stakeholder requirements.

In general category 3, *Annual CCI expenditure,* CCID item 12, *Provides total annual CCI expenditure figure for the financial year (with comparative figures),* was the highest-scoring item, with an average disclosure score of 0.8. This was consistent with the CCI expert "best practice", which rated this item as an "essential" disclosure item. The other CCID items were under-disclosed according to the CCI expert "best practice", because the majority of companies in the sample analysed did not provide disclosures of these items – hence their failure to meet stakeholder requirements.

In general category 4, *CCI projects*, the major CCI projects (CCID item 16) had a relatively high level of disclosure, which mainly revolved around CCI project narratives, including project beneficiaries, geographical area and the nature of support provided (see CCID items 16.1, 16.3, 16.4 and 16.5). These items were consistent with the CCI expert "best practice". However, CCID items 17, 18 and 19 were under-disclosed according to the CCI expert "best practice", thus failing to meet stakeholder requirements.

General category 5, *Relevant regulatory measures,* general category 6, *CCI benefits/business value creation*, general category 7, *Assurance of CCI reporting,* and general category 8, *Evidence of CCI*, were under-disclosed according to the CCI expert "best practice", thus failing to meet stakeholder requirements.

8.3.1.4 Summary of the content analysis findings on the integrated report

This section summarises the content analysis findings of the integrated reports over the reporting period (2015 to 2017) of the sample of companies analysed. Table 8.5 provides a comparison of the extent of CCID over the reporting period. "No." indicates the number of companies in the sample that disclosed the specific CCID item. The percentage also indicates the number of companies that disclosed on this matter. The average disclosure score is similar to, and follows from the average disclosure scores presented previously in tables 8.2, 8.3 and 8.4. In effect, table 8.5 provides a comparison of the extent and quality of CCID presented in the integrated reports over the reporting period.

Table 8.5: CCID content analysis of integrated reports, comparison between 2015 to 2017

CCID framework*		2015 (table 8.4)			2016 (table 8.3)			2017 (table 8.2)		
General categories	**Specific CCID items**	**No.**	**%**	**Average dis-closure score (0-1)**	**No.**	**%**	**Average dis-closure score (0-1)**	**No.**	**%**	**Average dis-closure score (0-1)**
1. CCI within the organisations	1. Business rationale for CCI: Demonstrates whether the company understands CCI and has a business case for it.	8	40%	0.4	12	60%	0.5	10	50%	0.4
	2. The organisation understands its potential/direct social impact on communities.	3	15%	0.1	4	20%	0.1	6	30%	0.1
	3.1 A specific board committee with explicit oversight and responsibility for CCI activities and disclosures.	15	75%	0.7	10	50%	0.5	10	50%	0.5
	3.2 Management responsibilities relating to CCI activities and disclosures.	4	20%	0.2	2	10%	0.1	2	10%	0.1
2. CCI strategy	4. Definition and explanation of the organisation's CCI policy/approach or adherence to regulatory guidance.	11	55%	0.5	11	55%	0.5	7	35%	0.4
	5. Description of how the CCI strategy is embedded within the business/company strategy.	8	40%	0.4	9	45%	0.4	10	50%	0.5
	6. Provides an overview of CCI objectives for financial year.	14	70%	0.4	16	80%	0.5	15	75%	0.4
	7. Description of how CCI is linked to the organisation's sustainability strategy.	5	25%	0.2	6	30%	0.3	6	30%	0.3
	8. Indicates whether CCI is linked to real social needs.	6	30%	0.3	9	45%	0.4	8	40%	0.4

Table 8.5: CCID content analysis of integrated reports, comparison between 2015 to 2017 (continued)

CCID framework*		2015 (table 8.4)			2016 (table 8.3)			2017 (table 8.2)		
General categories	**Specific CCID items**	**No.**	**%**	**Average dis-closure score (0-1)**	**No.**	**%**	**Average dis-closure score (0-1)**	**No.**	**%**	**Average dis-closure score (0-1)**
2. CCI strategy	9. Provides an overview of the organisation's CCI expenditure over the last few years (any significant events or highlights).	12	60%	0.5	9	45%	0.4	9	45%	0.4
	10. Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group.	15	75%	0.7	14	70%	0.7	15	75%	0.7
3. Annual CCI expenditure	11. Definition of how the organisation determines its annual CCI budget.	2	10%	0.1	1	5%	0.0	3	15%	0.1
	12. Provides total annual CCI expenditure figure for the financial year (with comparative figures).	17	85%	0.8	15	75%	0.7	16	80%	0.7
	13. Provides percentage/monetary breakdown of annual CCI expenditure for each category.	1	5%	0.0	2	10%	0.1	5	25%	0.2
	14. Provides percentage/monetary breakdown of annual CCI expenditure for each geographical area or business segment, as most appropriate.	6	30%	0.3	0	0%	-	6	30%	0.3
	15. Provides nature of annual CCI expenditure breakdown.	0	0%	-	0	0%	-	1	5%	0.1
4. CCI projects	16.1 Provides a qualitative description of all major CCI projects.	13	65%	0.7	15	75%	0.7	15	75%	0.7
	16.2 Provides the monetary value invested for each major CCI project (comparative figures if applicable).	8	40%	0.4	11	55%	0.6	10	50%	0.5
	16.3 States the nature of support provided.	12	60%	0.6	10	50%	0.5	11	55%	0.6
	16.4 Provides details of geographic location for each major project.	12	60%	0.6	10	50%	0.5	11	55%	0.6
	16.5 Provides details of beneficiaries for each major project.	11	55%	0.6	9	45%	0.5	8	40%	0.4

Table 8.5: CCID content analysis of integrated reports, comparison between 2015 to 2017 (continued)

CCID framework*		2015 (table 8.4)			2016 (table 8.3)			2017 (table 8.2)		
General categories	**Specific CCID items**	**No.**	**%**	**Average dis-closure score (0-1)**	**No.**	**%**	**Average dis-closure score (0-1)**	**No.**	**%**	**Average dis-closure score (0-1)**
4. CCI projects	16.6 Report on the status of the major projects, including project overview with project timeline or future prospects.	10	50%	0.5	7	35%	0.4	10	50%	0.5
	16.7 Provides details of key outputs/outcomes for each major project.	12	60%	0.5	12	60%	0.6	13	65%	0.6
	17. Provides details of project impact outcomes	6	30%	0.2	7	35%	0.2	7	35%	0.2
	18. Description of formal project impact assessments.	5	25%	0.1	1	5%	0.0	2	10%	0.1
	19. Indicates how performance, results in meeting the return on expectation set against CCI strategy.	7	35%	0.2	5	25%	0.2	2	10%	0.1
5. Relevant regulatory measures	20. Description of CCI expenditure relative to the socio-economic development (SED) target on the BEE scorecard.	2	10%	0.0	1	5%	0.0	1	5%	0.0
	21. Description of CCI expenditure in relation to the enterprise and supplier development target on the BEE scorecard.	0	0%	-	0	0%	-	0	0%	-
6. CCI benefits/ business value creation	22. Description of benefits arising from CCI projects that positively affect the country.	0	0%	-	2	10%	0.1	0	0%	-
	23. Description of benefits arising from CCI projects that positively affect the organisation.	1	5%	0.0	0	0%	-	1	5%	0.0

Table 8.5: CCID content analysis of integrated reports, comparison between 2015 to 2017 (continued)

CCID framework*		**2015 (table 8.4)**			**2016 (table 8.3)**			**2017 (table 8.2)**		
General categories	**Specific CCID items**	**No.**	**%**	**Average dis-closure score (0-1)**	**No.**	**%**	**Average dis-closure score (0-1)**	**No.**	**%**	**Average dis-closure score (0-1)**
7. Assurance of CCI reporting	24. An indication of whether the CCI information has been assured and the scope of external assurance provided.	1	5%	0.1	2	10%	0.1	1	5%	0.1
8. Evidence	25. Actuality of CCI	6	30%	0.3	6	30%	0.3	7	35%	0.3

* The CCID item numbering follows the final refined CCID framework (see section 7.4, table 7.13).
"No." and "%" refer to the number and percentage of companies disclosing the specific CCID item.
"Average disclosure score" represents a normalised quality measure (0-1) which agrees with tables 8.2 to 8.4 above.

In general category 1, *CCI within the organisation*, the best-performing CCID item throughout the reporting period was CCID item 3.1, *A specific board committee with explicit oversight and responsibility for CCI activities and disclosures*. However, this item decreased slightly in terms of the extent and quality of disclosures provided over the reporting period. CCID item 2, *The organisation understands its potential/direct social impact on communities*, was under-disclosed in terms of extent and quality, although a slight increasing trend in terms of the extent of CCID was identified over the reporting period. Overall, the disclosures in this category revolved around CCID item 1, *Business rationale for CCI: Demonstrates whether the company understands CCI and has a business case for it*, and item 3.1, *A specific board committee with explicit oversight and responsibility for CCI activities and disclosures*.

In general category 2, *CCI strategy*, CCID item 6, *Provides an overview of CCI objectives for financial year*, and CCID item 10, *Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group*, were the items most frequently disclosed. On average, these items were disclosed by 75% of the companies, with an average disclosure score of 0.7 for CCID item 10, and a varying average disclosure score of 0.4 and 0.5 for CCID item 6. CCID item 7, *Description of how CCI is linked to the organisation's sustainability strategy*, was consistently the worst-performing item over the reporting period. CCID items 4 and 9 showed a marginally decreasing trend in terms of disclosure frequency over the reporting period. CCID item 5 demonstrated a marginally increasing trend over the reporting period analysed.

In general category 3, *Annual CCI expenditure,* the extent of disclosures presented revolved mainly around CCID item 12, *Provides total annual CCI expenditure figure for the financial year (with comparative figures).* On average, 80% of the companies in the sample disclosed this item during the reporting period analysed. Limited disclosures were provided for the other CCID items in this category.

In general category 4, *CCI projects*, the extent of disclosures presented revolved mainly around the major CCI projects (CCID item 16), of which CCID items 16.1 and 16.7 were disclosed the most frequently by the sample of companies over the reporting period. The average disclosure score of CCID item 16.1 was higher than for CCID item 16.7. Over the reporting period, limited disclosures were provided on CCID items 17, 18 and 19, and average disclosure score for these items was also low, ranging from 0 to 0.2.

Throughout the reporting periods, general category 5, *Relevant regulatory measures,* general category 6, *CCI benefits/business value creation*, general category 7, *Assurance of CCI reporting,* and general category 8, *Evidence of CCI*, were not frequently disclosed, and non-disclosures of these items were more prominent than disclosures on them.

Overall, the average disclosure score for all the CCID items was 0.3 for each reporting period, which suggests that, on average, limited CCID of a low quality were disclosed in the integrated reports for the 2015, 2016 and 2017 reporting periods. The analysis of the specific CCID items, as presented in table 8.5, provided no support for an increasing or decreasing disclosure pattern, and, on average, the disclosures were consistent over the reporting period.

Figure 8.1 provides an overview of the average disclosure score for the three-year period,[52] depicting the extent and quality of the specific CCID items of the integrated reports in relation to the "best practice" disclosure expectation of the CCI experts. The results in this figure indicate that the majority of CCID presented in the integrated reports of the sample of companies included, were under-disclosed according to the CCI expert "best practice". From this figure, the results indicate that, on average, 17 CCID items (53% = 17/32), which were regarded as essential or very important disclosure items presented in the integrated reports of the sample of companies included, were under-disclosed according to the CCI expert "best practice" (<0.5) (see block A). On average, seven of the essential and very important CCID items (22% = 7/32) were consistent with the CCI expert "best practice" (>0.5) (see block B). Four (13% = 4/32) of the CCID items regarded as being of intermediate importance according to the CCI expert "best practice" obtained low-quality disclosure scores (<0.5) (see block C).

[52] The average disclosure scores depicted in figures 8.1 and 8.2 (see section 8.3.2.4) represent the average disclosure score for the three-year period, and were calculated from tables 8.5 (integrated report) and 8.9 (sustainability report) respectively.

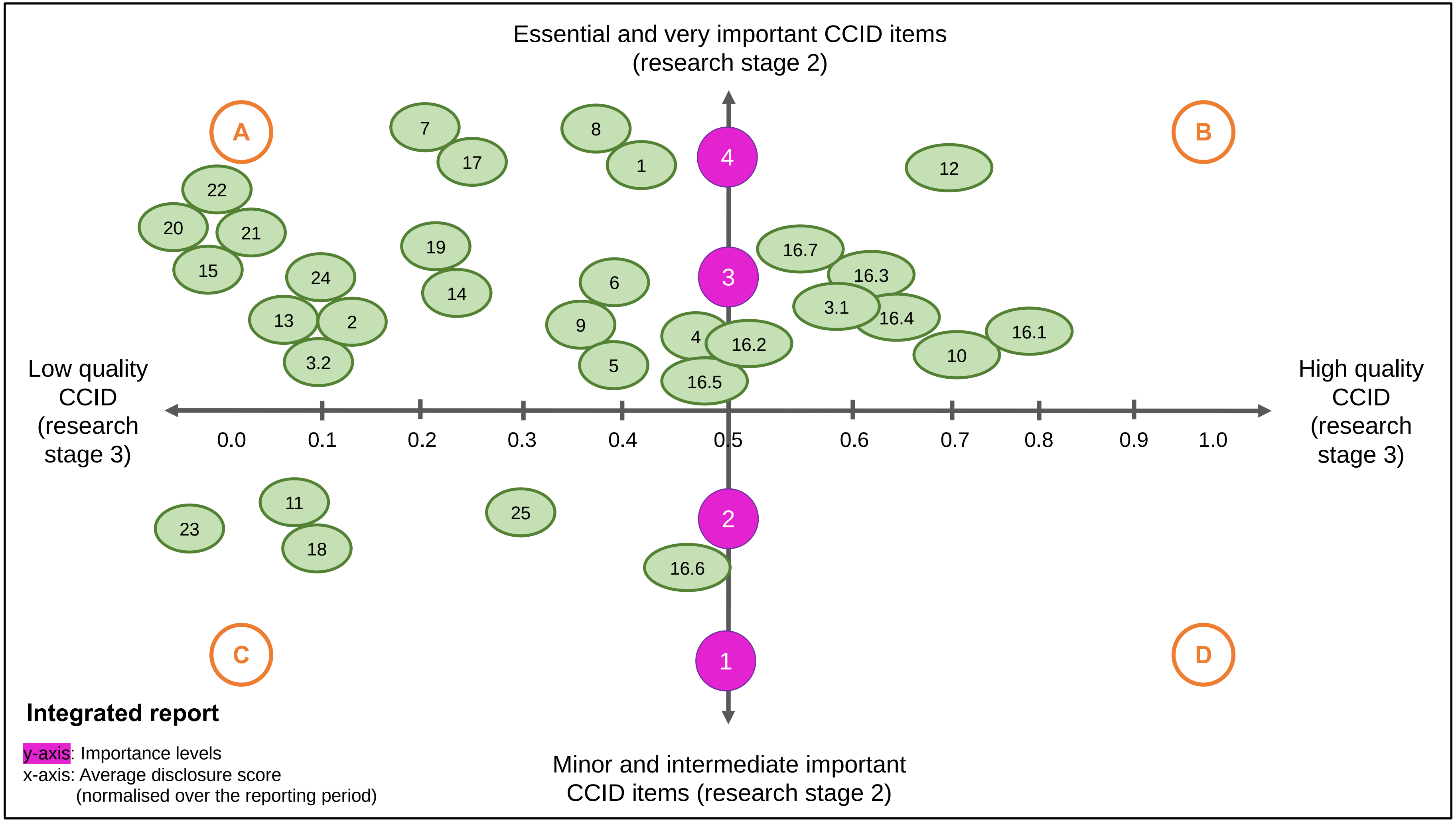


Figure 8.1: Summary of integrated reporting CCID in relation to the "best practice" disclosure expectation of the CCI experts

The following section discusses the findings of the content analysis of the sustainability or equivalent reports that were analysed.

8.3.2 CCID application: Content analysis findings on the sustainability report

From the sample of companies selected, all available sustainability or equivalent reports (supporting the annual integrated report) for the period 2015 to 2017 were scrutinised to identify relevant CCID sections. A total of 36 sustainability reports were included in the sample (see table 8.1). The number of sentences counted for each CCID item in each of the reporting periods for the sustainability reports are presented in Appendix L.

8.3.2.1 Content analysis findings on the sustainability report for 2017

Table 8.6 provides an item-by-item analysis of the disclosure frequency, average quality score and the importance levels for the sustainability report during the 2017 financial year.

Table 8.6: CCID content analysis of sustainability reports for 2017

CCID framework*		Frequency SR 2017						Average disclosure score (0-1)	Importance level
General categories	**Specific CCID items**	**0**	**1**	**2**	**3**	**4**	**5**		
1. CCI within the organisation	1. Business rationale for CCI: Demonstrates whether the company understands CCI and has a business case for it.	7	0	2	2	n/a	n/a	0.3	Essential
	2. The organisation understands its potential/direct social impact on communities.	7	0	0	3	1	0	0.2	Very important
	3.1 A specific board committee with explicit oversight and responsibility for CCI activities and disclosures.	9	0	0	2	n/a	n/a	0.2	Very important
	3.2 Management responsibilities relating to CCI activities and disclosures.	9	0	0	2	n/a	n/a	0.2	Very important
2. CCI strategy	4. Definition and explanation of the organisation's CCI policy/approach or adherence to regulatory guidance.	5	0	1	5	n/a	n/a	0.5	Very important
	5. Description of how the CCI strategy is embedded within the business/company strategy.	3	0	1	7	n/a	n/a	0.7	Very important
	6. Provides an overview of CCI objectives for financial year.	2	0	1	7	1	0	0.5	Very important
	7. Description of how CCI is linked to the organisation’s sustainability strategy.	6	0	2	3	n/a	n/a	0.4	Essential
	8. Indicates whether CCI is linked to real social needs.	5	0	1	5	n/a	n/a	0.5	Essential
	9. Provides an overview of the organisation’s CCI expenditure over the last few years (any significant events or highlights).	0	0	2	6	2	1	0.6	Very important
	10. Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group.	3	0	2	6	n/a	n/a	0.7	Very important

Table 8.6: CCID content analysis of sustainability reports for 2017 (continued)

CCID framework*		Frequency SR 2017						Average disclosure score (0-1)	Importance level
General categories	**Specific CCID items**	**0**	**1**	**2**	**3**	**4**	**5**		
3. Annual CCI expenditure	11. Definition of how the organisation determines its annual CCI budget.	8	0	1	0	0	2	0.2	Intermediate importance
	12. Provides total annual CCI expenditure figure for the financial year (with comparative figures).	4	0	0	0	3	4	0.6	Essential
	13. Provides percentage/monetary breakdown of annual CCI expenditure for each category.	3	0	0	0	5	3	0.6	Very important
	14. Provides percentage/monetary breakdown of annual CCI expenditure for each geographical area or business segment, as most appropriate.	4	0	0	0	3	4	0.6	Very important
	15. Provides nature of annual CCI expenditure breakdown.	10	0	0	0	0	1	0.1	Very important
4. CCI Projects	16. An inventory of all major CCI projects supported disclosing the following:								
	16.1 Provides a qualitative description of all major CCI projects.	0	0	0	11	n/a	n/a	1.0	Very important
	16.2 Provides the monetary value invested for each major CCI project (comparative figures if applicable).	1	0	0	0	1	9	0.9	Very important
	16.3 States the nature of support provided.	0	0	0	11	n/a	n/a	1.0	Very important
	16.4 Provides details of geographic location for each major project.	1	0	0	10	n/a	n/a	0.9	Very important
	16.5 Provides details of beneficiaries for each major project.	1	0	1	9	n/a	n/a	0.9	Very important
	16.6 Report on the status of the major projects, including project overview with project timeline or future prospects.	1	0	0	10	n/a	n/a	0.9	Intermediate importance
	16.7 Provides details of key outputs/outcomes for each major project.	1	0	0	0	2	8	0.9	Very important
	17. Provides details of project impact outcomes	2	0	2	3	0	4	0.6	Essential
	18. Description of formal project impact assessments.	5	0	0	6	0	0	0.3	Intermediate importance
	19. Indicates how performance results in meeting the return on expectation set against CCI strategy.	7	0	0	1	1	2	0.3	Very important

Table 8.6: CCID content analysis of sustainability reports for 2017 (continued)

CCID framework*		Frequency SR 2017						Average disclosure score (0-1)	Importance level
General categories	**Specific CCID items**	**0**	**1**	**2**	**3**	**4**	**5**		
5. Relevant regulatory measures	20. Description of CCI expenditure relative to the socio-economic development (SED) target on the BEE scorecard.	11	0	0	0	0	0	-	Very important
	21. Description of CCI expenditure in relation to the enterprise and supplier development target on the BEE scorecard.	11	0	0	0	0	0	-	Very important
6. CCI benefits/business value creation	22. Description of benefits arising from CCI projects that positively affect the country.	11	0	0	0	n/a	n/a	-	Very important
	23. Description of benefits arising from CCI projects that positively affect the organisation.	11	0	0	0	0	0	-	Intermediate importance
7. Assurance of CCI reporting	24. An indication of whether the CCI information has been assured and the scope of external assurance provided.	10	0	1	0	n/a	n/a	0.1	Very important
8. Evidence	25. Actuality of CCI	2	0	2	7	n/a	n/a	0.8	Intermediate importance

* The CCID item numbering follows the final refined CCID framework (see section 7.4, table 7.13).
"Frequency" refers to the number of companies obtaining a particular quality score (rounded to 0-5).
"Average disclosure score" represents a normalised quality measure (0-1) for the reporting of each CCID item; for example, in CCID item 1, the average quality score of 0.3 was calculated as follows: ((7*0) + (0*1) + (2*2) + (2*3))/(11*3).
"Importance level" is the average rating allocated to each CCID items by the CCI experts during research stage 2 (see section 7.4, table 7.13).

In general category 1, *CCI within the organisation,* none of the specific disclosure items had an average disclosure score of higher than 0.3, the average disclosure score of the category was 0.2,[53] which indicates that this category was under-disclosed according to the CCI expert "best practice", and accordingly did not meet stakeholder requirements.

In general category 2, *CCI strategy*, the highest-scoring CCID items were CCID item 5, *Description of how the CCI strategy is embedded within the business/company strategy*, and CCID item 10, *Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group*. This was consistent with the CCI expert "best practice", which rated these items as "very important". CCID item 9, *Provides an overview of the organisation's CCI expenditure over the last few years (any significant events or highlights)*, was disclosed by all the companies in the sample (2017 sustainability report analysis). The average disclosure score for this category was 0.6, which indicates that this category attempted to present disclosures consistent with the CCI expert "best practice", in order to meet stakeholder requirements.

In general category 3, *Annual CCI expenditure*, the highest-scoring items were CCID item 12, *Provides total annual CCI expenditure figure for the financial year (with comparative figures)*, CCID item 13, *Provides percentage/monetary breakdown of annual CCI expenditure for each category*, and CCID item 14, *Provides percentage/monetary breakdown of annual CCI expenditure for each geographical area or business segment, as most appropriate*. These items obtained an average disclosure of 0.6 and were deemed "very important" disclosures items by the CCI experts. CCID item 11, *Definition of how the organisation determines its annual CCI budget*, and CCID item 15, *Provides nature of annual CCI expenditure breakdown*, were under-disclosed according to the CCI expert "best practice", and thus failed to meet stakeholder requirements.

In general category 4, *CCI projects*, the major CCI projects (CCID item 16) indicated a high level of disclosure, of which the average disclosure score for CCID items 16

[53] The average disclosure score for general category 1, *CCI within the organisation,* for the 2017 sustainability report was calculated as ∑of the average disclosure scores for each CCID item in the category/∑number of CCID items in the category, for example (0.2 +0.2 +0.2 +0.3)/4 = 0.2.

was 0.9. This was consistent with, and with reference to CCID item 16.6, *Report on the status of the major projects, including project overview with project timeline or future prospects*, outperformed the CCI expert "best practice". CCID item 17, *Provides details of project impact outcomes,* obtained an average disclosure score of 0.6, with 82% of companies in the sample disclosing this item. CCID items 18 and 19 were under-disclosed according to the CCI expert "best practice", and thus failed to meet stakeholder requirements.

General category 5, *Relevant regulatory measures,* and general category 6, *CCI benefits/business value creation*, were not disclosed, while general category 7, *Assurance of CCI reporting,* was poorly disclosed. Hence these items were under-disclosed according to the CCI expert "best practice", thus failing to meet stakeholder requirements.

General category 8, *Evidence of CCI*, outperformed the CCI expert "best practice", as CCID item 25, *Actuality of CCI*, obtained an average disclosure score of 0.8 and was ranked as an item of "intermediate importance".

8.3.2.2 Content analysis findings on the sustainability report for 2016

Table 8.7 provides an item-by-item analysis of the disclosure frequency, average quality score and the importance levels for the sustainability report during the 2016 financial year.

Table 8.7: CCID content analysis of sustainability reports for 2016

CCID framework*		Frequency SR 2016						Average disclosure score (0-1)	Importance level
General categories	Specific CCID items	0	1	2	3	4	5		
1. CCI within the organisation	1. Business rationale for CCI: Demonstrates whether the company understands CCI and has a business case for it.	9	0	4	0	n/a	n/a	0.2	Essential
	2. The organisation understands its potential/direct social impact on communities.	7	0	2	4	0	0	0.2	Very important
	3.1 A specific board committee with explicit oversight and responsibility for CCI activities and disclosures.	8	0	3	2	n/a	n/a	0.3	Very important
	3.2 Management responsibilities relating to CCI activities and disclosures.	10	0	3	0	n/a	n/a	0.2	Very important
2. CCI strategy	4. Definition and explanation of the organisation's CCI policy/approach or adherence to regulatory guidance.	4	0	0	9	n/a	n/a	0.7	Very important
	5. Description of how the CCI strategy is embedded within the business/company strategy.	5	0	0	8	n/a	n/a	0.6	Very important
	6. Provides an overview of CCI objectives for financial year.	3	0	2	8	0	0	0.4	Very important
	7. Description of how CCI is linked to the organisation’s sustainability strategy.	8	0	3	2	n/a	n/a	0.3	Essential
	8. Indicates whether CCI is linked to real social needs.	5	0	1	7	n/a	n/a	0.6	Essential
	9. Provides an overview of the organisation’s CCI expenditure over the last few years (any significant events or highlights).	2	0	1	2	3	5	0.7	Very important
	10. Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group.	3	0	4	6	n/a	n/a	0.7	Very important

Table 8.7: CCID content analysis of sustainability reports for 2016 (continued)

CCID framework*		Frequency SR 2016						Average disclosure score (0-1)	Importance level
General categories	**Specific CCID items**	**0**	**1**	**2**	**3**	**4**	**5**		
3. Annual CCI expenditure	11. Definition of how the organisation determines its annual CCI budget.	10	0	1	1	0	1	0.2	Intermediate importance
	12. Provides total annual CCI expenditure figure for the financial year (with comparative figures).	6	0	0	0	3	4	0.5	Essential
	13. Provides percentage/monetary breakdown of annual CCI expenditure for each category.	10	0	0	0	3	0	0.2	Very important
	14. Provides percentage/monetary breakdown of annual CCI expenditure for each geographical area or business segment, as most appropriate.	8	0	0	0	2	3	0.4	Very important
	15. Provides nature of annual CCI expenditure breakdown.	11	0	0	1	0	1	0.1	Very important
4. CCI projects	16. An inventory of all major CCI projects supported disclosing the following:								
	16.1 Provides a qualitative description of all major CCI projects.	1	0	0	12	n/a	n/a	0.9	Very important
	16.2 Provides the monetary value invested for each major CCI project (comparative figures if applicable).	3	0	0	0	4	6	0.7	Very important
	16.3 States the nature of support provided.	1	0	0	12	n/a	n/a	0.9	Very important
	16.4 Provides details of geographic location for each major project.	3	0	0	10	n/a	n/a	0.8	Very important
	16.5 Provides details of beneficiaries for each major project.	2	0	0	11	n/a	n/a	0.8	Very important
	16.6 Report on the status of the major projects, including project overview with project timeline or future prospects.	3	0	0	10	n/a	n/a	0.8	Intermediate importance
	16.7 Provides details of key outputs/outcomes for each major project.	0	0	0	0	4	9	0.9	Very important
	17. Provides details of project impact outcomes.	8	0	0	2	3	0	0.3	Essential
	18. Description of formal project impact assessments.	10	0	1	2	0	0	0.1	Intermediate importance
	19. Indicates how performance, results in meeting the return on expectation set against CCI strategy.	9	2	1	1	0	0	0.1	Very important

Table 8.7: CCID content analysis of sustainability reports for 2016 (continued)

CCID framework*		Frequency SR 2016						Average disclosure score (0-1)	Importance level
General categories	**Specific CCID items**	**0**	**1**	**2**	**3**	**4**	**5**		
5. Relevant regulatory measures	20. Description of CCI expenditure relative to the socio-economic development (SED) target on the BEE scorecard.	12	0	0	1	0	0	0.0	Very important
	21. Description of CCI expenditure in relation to the enterprise and supplier development target on the BEE scorecard.	13	0	0	0	0	0	-	Very important
6. CCI benefits/business value creation	22. Description of benefits arising from CCI projects that positively affect the country.	11	0	2	0	n/a	n/a	0.1	Very important
	23. Description of benefits arising from CCI projects that positively affect the organisation.	12	0	0	1	0	0	0.1	Intermediate importance
7. Assurance of CCI reporting	24. An indication of whether the CCI information has been assured and the scope of external assurance provided.	11	0	0	2	n/a	n/a	0.2	Very important
8. Evidence	25. Actuality of CCI	4	0	1	8	n/a	n/a	0.7	Intermediate importance

* The CCID item numbering follows the final refined CCID framework (see table 7.13, section 7.4).
"Frequency" refers to the number of companies obtaining a particular quality score (rounded to 0-5).
"Average disclosure score" represents a normalised quality measure (0-1) for the reporting of each CCID item; for example, in CCID item 2, the average quality score of 0.2 was calculated as follows: ((7*0) + (0*1) + (2*2) + (4*3) + (0*4) + (0*5))/(13*5).
"Importance level" is the average rating allocated to each CCID items by the CCI experts during research stage 2 (see table 7.13, section 7.4).

In general category 1, *CCI within the organisation*, was poorly disclosed, because all of the CCID items had an average disclosure score of 0.2 and 0.3. The average disclosure score for the category was 0.2, which indicates that this category was under-disclosed according to the CCI expert "best practice", thus failing to meet stakeholder requirements.

In general category 2, *CCI strategy*, the highest-scoring CCID items were CCID item 4, *Definition and explanation of the organisation's CCI policy/approach or adherence to regulatory guidance*, CCID item 9, *Provides an overview of the organisation's CCI expenditure over the last few years (any significant events or highlights)*, and CCID item 10, *Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group*. All these items had an average disclosure score of 0.7, which was consistent with the CCI expert "best practice", which rated these items as "very important". CCID item 7, *Description of how CCI is linked to the organisation's sustainability strategy*, was the lowest-scoring CCID item in this category, and under-performed according to the CCI expert "best practice" for meeting stakeholder requirements.

In general category 3, *Annual CCI expenditure,* the highest-scoring item was CCID item 12, *Provides total annual CCI expenditure figure for the financial year (with comparative figures),* obtaining an average disclosure score of 0.5. Overall, this category was poorly disclosed as the average disclosure score of the category was 0.3, which indicates that this category was under-disclosed according to the CCI expert "best practice", thus failing to meet stakeholder requirements.

In general category 4, *CCI projects*, the major CCI projects (CCID item 16) obtained a high level of disclosure, of which the average disclosure score for CCID item 16 was 0.8. Consistent with, and with reference to CCID item 16.6, *Report on the status of the major projects, including project overview with project timeline or future prospects*, it outperformed the CCI expert "best practice". CCID items 17, 18 and 19 were under-disclosed according to the CCI expert "best practice", thus failing to meet stakeholder requirements.

General category 5, *Relevant regulatory measures,* was not disclosed. General category 6, *CCI benefits/business value creation*, and general category 7, *Assurance* *of CCI reporting,* were poorly disclosed, thus providing limited disclosures. Hence these items were under-disclosed according to the CCI expert "best practice" and failed to meet stakeholder requirements.

General category 8, *Evidence of CCI*, outperformed the CCI expert "best practice", because CCID item 25, *Actuality of CCI*, obtained an average disclosure score of 0.7, and was ranked as an item of "intermediate importance".

8.3.2.3 Content analysis findings on the sustainability report for 2015

Table 8.8 provides an item-by-item analysis of the disclosure frequency, average quality score and the importance levels for the sustainability report during the 2015 financial year.

Table 8.8: CCID content analysis of sustainability reports for 2015

CCID framework*		Frequency SR 2015						Average disclosure score (0-1)	Importance level
General categories	**Specific CCID items**	**0**	**1**	**2**	**3**	**4**	**5**		
1. CCI within the organisation	1. Business rationale for CCI: Demonstrates whether the company understands CCI and has a business case for it.	10	0	1	1	n/a	n/a	0.1	Essential
	2. The organisation understands its potential/direct social impact on communities.	6	0	3	3	0	0	0.3	Very important
	3.1 A specific board committee with explicit oversight and responsibility for CCI activities and disclosures.	8	0	1	3	n/a	n/a	0.3	Very important
	3.2 Management responsibilities relating to CCI activities and disclosures.	12	0	0	0	n/a	n/a	-	Very important
2. CCI strategy	4. Definition and explanation of the organisation's CCI policy/approach or adherence to regulatory guidance.	5	0	0	7	n/a	n/a	0.6	Very important
	5. Description of how the CCI strategy is embedded within the business/company strategy.	4	0	0	8	n/a	n/a	0.7	Very important
	6. Provides an overview of CCI objectives for financial year.	1	0	0	10	1	0	0.6	Very important
	7. Description of how CCI is linked to the organisation’s sustainability strategy.	5	0	2	5	n/a	n/a	0.5	Essential
	8. Indicates whether CCI is linked to real social needs.	4	0	0	8	n/a	n/a	0.7	Essential
	9. Provides an overview of the organisation’s CCI expenditure over the last few years (any significant events or highlights).	2	0	0	3	3	4	0.7	Very important
	10. Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group.	3	0	2	7	n/a	n/a	0.7	Very important

Table 8.8: CCID content analysis of sustainability reports for 2015 (continued)

CCID framework*		**Frequency SR 2015**						**Average disclosure score (0-1)**	**Importance level**
General categories	**Specific CCID items**	**0**	**1**	**2**	**3**	**4**	**5**		
3. Annual CCI expenditure	11. Definition of how the organisation determines its annual CCI budget.	8	0	0	1	2	1	0.3	Intermediate importance
	12. Provides total annual CCI expenditure figure for the financial year (with comparative figures).	2	0	0	0	2	8	0.8	Essential
	13. Provides percentage/monetary breakdown of annual CCI expenditure per category.	3	0	0	0	5	4	0.7	Very important
	14. Provides percentage/monetary breakdown of annual CCI expenditure for each geographical area or business segment, as most appropriate.	7	0	0	0	2	3	0.4	Very important
	15. Provides nature of annual CCI expenditure breakdown.	12	0	0	0	0	0	-	Very important
4. CCI Projects	16. An inventory of all major CCI projects supported disclosing the following:								
	16.1 Provides a qualitative description of all major CCI projects.	0	0	0	12	n/a	n/a	1.0	Very important
	16.2 Provides the monetary value invested for each major CCI project (comparative figures if applicable).	0	0	0	0	2	10	1.0	Very important
	16.3 States the nature of support provided.	0	0	0	12	n/a	n/a	1.0	Very important
	16.4 Provides details of geographic location for each major project.	1	0	0	11	n/a	n/a	0.9	Very important
	16.5 Provides details of beneficiaries for each major project.	2	0	0	10	n/a	n/a	0.8	Very important
	16.6 Report on the status of the major projects, including project overview with project timeline or future prospects.	3	0	0	9	n/a	n/a	0.8	Intermediate importance
	16.7 Provides details of key outputs/outcomes for each major project.	0	0	0	0	7	5	0.9	Very important
	17. Provides details of project impact outcomes	6	0	1	3	0	2	0.4	Essential
	18. Description of formal project impact assessments.	6	0	1	5	0	0	0.3	Intermediate importance
	19. Indicates how performance results in meeting the return on expectation set against CCI strategy.	6	0	0	2	2	2	0.4	Very important

Table 8.8: CCID content analysis of sustainability reports for 2015 (continued)

CCID framework*		**Frequency SR 2015**						**Average disclosure score (0-1)**	**Importance level**
General categories	**Specific CCID items**	**0**	**1**	**2**	**3**	**4**	**5**		
5. Relevant regulatory measures	20. Description of CCI expenditure relative to the socio-economic development (SED) target on the BEE scorecard.	10	0	0	2	0	0	0.1	Very important
	21. Description of CCI expenditure in relation to the enterprise and supplier development target on the BEE scorecard.	12	0	0	0	0	0	-	Very important
6. CCI benefits/business value creation	22. Description of benefits arising from CCI projects that positively affect the country.	10	0	2	0	n/a	n/a	0.1	Very important
	23. Description of benefits arising from CCI projects that positively affect the organisation.	12	0	0	0	0	0	-	Intermediate importance
7. Assurance of CCI reporting	24. An indication of whether the CCI information has been assured and the scope of external assurance provided.	10	0	0	2	n/a	n/a	0.2	Very important
8. Evidence	25. Actuality of CCI	6	0	1	5	n/a	n/a	0.5	Intermediate importance

* The CCID item numbering follows the final refined CCID framework (see section 7.4, table 7.13).
"Frequency" refers to the number of companies obtaining a particular quality score (rounded to 0-5).
"Average disclosure score" represents a normalised quality measure (0-1) for the reporting of each CCID item; for example, in CCID item 1, the average quality score of 0.1 was calculated as follows ((10*0) + (0*1) + (1*2) + (1*3))/(12*3).
"Importance level" is the average rating allocated to each CCID items by the CCI experts during research stage 2 (see section 7.4, table 7.13).

General category 1, *CCI within the organisation,* was poorly disclosed because none of the specific disclosure items had an average disclosure score higher than 0.3. The average disclosure score for the category was 0.2, which indicates that this category was under-disclosed according to the CCI expert "best practice", thus failing to meet stakeholder requirements.

In general category 2, *CCI strategy*, the highest-scoring CCID items were CCID item 5, *Description of how the CCI strategy is embedded within the business/company strategy*, CCID item 8, *Indicates whether CCI is linked to real social needs*, CCID item 9, *Provides an overview of the organisation's CCI expenditure over the last few years (any significant events or highlights)*, and CCID item 10, *Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group.* These items obtained an average disclosure score of 0.7, which was consistent with the CCI expert "best practice", which rated these items as "very important" or "essential". The average disclosure score for this category was 0.6, which indicates that this category attempted to present disclosures consistent with the CCI expert "best practice", in order to meet stakeholder requirements.

In general category 3, *Annual CCI expenditure,* the highest-scoring item was CCID item 12, *Provides total annual CCI expenditure figure for the financial year (with comparative figures)*. This item obtained an average disclosure of 0.8 and was deemed a "very important" disclosure item by the CCI experts. CCID item 15, *Provides nature of annual CCI expenditure breakdown,* was not disclosed, and according to the CCI expert "best practice" failed to meet stakeholder requirements.

In general category 4, *CCI projects*, the major CCI projects (CCID item 16) obtained a high level of disclosure, of which the average disclosure score for CCID item 16 was 0.9. This was consistent with, and with reference to CCID item 16.6, *Report on the status of the major projects, including project overview with project timeline or future prospects*, outperformed the CCI expert "best practice". CCID item 17, *Provides details of project impact outcomes,* and CCID item 19*, Provides details of how performance results in meeting the return on expectation set against CCI strategy,* were only disclosed by 50% of the companies in the sample. These items were under-disclosed according to the CCI expert “best practice”, thus failing to meet stakeholder requirements.

General category 5, *Relevant regulatory measures,* general category 6, *CCI benefits/business value creation*, and general category 7, *Assurance of CCI reporting,* were poorly disclosed. Hence these items were under-disclosed according to the CCI expert “best practice”, thus failing to meet stakeholder requirements.

General category 8, *Evidence of CCI*, was disclosed by 50% of the companies in the sample because CCID item 25, *Actuality of CCI*, obtained an average disclosure score of 0.5. Because it was ranked as an item of “intermediate importance” it was consistent with the CCI expert “best practice” stakeholder requirements.

8.3.2.4 Summary of the content analysis findings on the sustainability report

The section provides a summary of the content analysis findings on the sustainability report over the reporting period (2015 to 2017) of the sample of companies analysed. Table 8.9 compares the extent of CCID over the reporting period. The number of companies in the sample that disclosed the specific CCID item were expressed as a number (No.) and as a percentage. The average disclosure scores are similar to and follow the average disclosure scores provided in tables 8.6, 8.7 and 8.8. In effect, table 8.9 provides a comparison of the extent and quality of CCID presented in the sustainability reports over the reporting period.

Table 8.9: CCID content analysis of sustainability reports, comparison between 2015 to 2017

CCID framework*		2015 (table 8.8)**			2016 (table 8.7)**			2017 (table 8.6)**		
General categories	**Specific CCID items**	**No.**	**%**	**Average disclosure score (0-1)**	**No.**	**%**	**Average disclosure score (0-1)**	**No.**	**%**	**Average disclosure score (0-1)**
1. CCI within the organisations	1. Business rationale for CCI: Demonstrates whether the company understands CCI and has a business case for it.	2	17%	0.1	4	31%	0.2	4	36%	0.3
	2. The organisation understands its potential/direct social impact on communities.	6	50%	0.3	6	46%	0.2	4	36%	0.2
	3.1 A specific board committee with explicit oversight and responsibility for CCI activities and disclosures.	4	33%	0.3	5	38%	0.3	2	18%	0.2
	3.2 Management responsibilities relating to CCI activities and disclosures.	0	0%	-	3	23%	0.2	2	18%	0.2
2. CCI strategy	4. Definition and explanation of the organisation's CCI policy/approach or adherence to regulatory guidance.	7	58%	0.6	9	69%	0.7	6	55%	0.5
	5. Description of how the CCI strategy is embedded within the business/company strategy.	8	67%	0.7	8	62%	0.6	8	73%	0.7
	6. Provides an overview of CCI objectives for financial year.	11	92%	0.6	10	77%	0.4	9	82%	0.5
	7. Description of how CCI is linked to the organisation's sustainability strategy.	7	58%	0.5	5	38%	0.3	5	45%	0.4
	8. Indicates whether CCI is linked to real social needs.	8	67%	0.7	8	62%	0.6	6	55%	0.5

Table 8.9: CCID content analysis of sustainability reports, comparison between 2015 to 2017 (continued)

CCID framework*		2015 (table 8.8)**			2016 (table 8.7)**			2017 (table 8.6)**		
General categories	**Specific CCID items**	**No.**	**%**	**Average disclosure score (0-1)**	**No.**	**%**	**Average disclosure score (0-1)**	**No.**	**%**	**Average disclosure score (0-1)**
2. CCI strategy	9. Provides an overview of the organisation's CCI expenditure over the last few years (any significant events or highlights).	10	83%	0.7	11	85%	0.7	11	100%	0.6
	10. Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group.	9	75%	0.7	10	77%	0.7	8	73%	0.7
3. Annual CCI expenditure	11. Definition of how the organisation determines its annual CCI budget.	4	33%	0.3	3	23%	0.2	3	27%	0.2
	12. Provides total annual CCI expenditure figure for the financial year (with comparative figures).	10	83%	0.8	7	54%	0.5	7	64%	0.6
	13. Provides percentage/monetary breakdown of annual CCI expenditure for each category.	9	75%	0.7	3	23%	0.2	8	73%	0.6
	14. Provides percentage/monetary breakdown of annual CCI expenditure for each geographical area or business segment, as most appropriate.	5	42%	0.4	5	38%	0.4	7	64%	0.6
	15. Provides nature of annual CCI expenditure breakdown.	0	0%	-	2	15%	0.1	1	9%	0.1
4. CCI projects	16.1 Provides a qualitative description of all major CCI projects.	12	100%	1.0	12	92%	0.9	11	100%	1.0
	16.2 Provides the monetary value invested for each major CCI project (comparative figures if applicable).	12	100%	1.0	10	77%	0.7	10	91%	0.9
	16.3 States the nature of support provided.	12	100%	1.0	12	92%	0.9	11	100%	1.0
	16.4 Provides details of geographic location for each major project.	11	92%	0.9	10	77%	0.8	10	91%	0.9

Table 8.9: CCID content analysis of sustainability reports, comparison between 2015 to 2017 (continued)

CCID framework*		2015 (table 8.8)**			2016 (table 8.7)**			2017 (table 8.6)**		
General categories	**Specific CCID items**	**No.**	**%**	**Average disclosure score (0-1)**	**No.**	**%**	**Average disclosure score (0-1)**	**No.**	**%**	**Average disclosure score (0-1)**
4. CCI projects	16.5 Provides details of beneficiaries for each major project.	10	83%	0.8	11	85%	0.8	10	91%	0.9
	16.6 Report on the status of the major projects, including project overview with project timeline or future prospects.	9	75%	0.8	10	77%	0.8	10	91%	0.9
	16.7 Provides details of key outputs/outcomes for each major project.	12	100 %	0.9	13	100%	0.9	10	91%	0.9
	17. Provides details of project impact outcomes	6	50%	0.4	5	38%	0.3	9	82%	0.6
	18. Description of formal project impact assessments.	6	50%	0.3	3	23%	0.1	6	55%	0.3
	19. Indicates how performance, results in meeting the return on expectation set against CCI strategy.	6	50%	0.4	4	31%	0.1	4	36%	0.3
5. Relevant regulatory measures	20. Description of CCI expenditure relative to the socio-economic development (SED) target on the BEE scorecard.	2	17%	0.1	1	8%	0.0	0	0%	-
	21. Description of CCI expenditure in relation to the enterprise and supplier development target on the BEE scorecard.	0	0%	-	0	0%	-	0	0%	-
6. CCI benefits/ business value creation	22. Description of benefits arising from CCI projects that positively affect the country.	2	17%	0.1	2	15%	0.1	0	0%	-
	23. Description of benefits arising from CCI projects that positively affect the organisation.	0	0%	-	1	8%	0.1	0	0%	-

Table 8.9: CCID content analysis of sustainability reports, comparison between 2015 to 2017 (continued)

CCID framework*		2015 (table 8.8)**			2016 (table 8.7)**			2017 (table 8.6)**		
General categories	**Specific CCID items**	**No.**	**%**	**Average disclosure score (0-1)**	**No.**	**%**	**Average disclosure score (0-1)**	**No.**	**%**	**Average disclosure score (0-1)**
7. Assurance of CCI reporting	24. An indication of whether the CCI information has been assured and the scope of external assurance provided.	2	17%	0.2	2	15%	0.2	1	9%	0.1
8. Evidence	25. Actuality of CCI	6	50%	0.5	9	69%	0.7	9	82%	0.8

* The CCID item numbering follows the final refined CCID framework (see section 7.4, table 7.13).
**The sample sizes of each reporting period for the sustainability reports are 12(2015), 13(2016) and 11(2017), following table 8.1.
"No." and "%" refer to the number and percentage of companies disclosing the specific CCID item.
"Average disclosure score" represents a normalised quality measure (0-1) which agrees with tables 8.6 to 8.8 above.

General category 1, *CCI within the organisation,* was poorly disclosed in the sustainability reports throughout the reporting period. The average disclosure score for this category was 0.2, and none of the specific CCID items in this category obtained a score higher than 0.3.

In general category 2, *CCI strategy*, CCID item 6, *Provides an overview of CCI objectives for financial year*, and CCID item 9, *Provides an overview of the organisation's CCI expenditure over the last few years (any significant events or highlights)*, were reported the most frequently by the companies in the sample. No specific reporting trend was prevalent during the reporting period for this reporting category. Throughout the reporting period, the average disclosure score for this category was 0.6. During the period, the highest-scoring items were CCID item 5, *Description of how the CCI strategy is embedded within the business/company strategy*, CCID item 9, *Provides an overview of the organisation's CCI expenditure over the last few years (any significant events or highlights)*, and CCID item 10, *Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group*. CCID item 10 maintained an average disclosure quality score of 0.7 throughout the reporting period.

In general category 3, *Annual CCI expenditure,* for four of the items, the extent of the 2016 financial period CCID items was less in comparison with that of the 2015 and 2017 reporting periods (see the percentages for CCID items 11, 12, 13 and 14). The average disclosure score for the category was also lower in 2016 (0.3) in comparison with the scores for 2015 and 2017 (0.4). Throughout the reporting period, CCID item 15, *Provides nature of annual CCI expenditure breakdown,* was poorly disclosed because the companies in the sample made limited disclosures.

In general category 4, *CCI projects*, the average disclosure score for the category was marginally lower in 2016 (0.6) in comparison with the scores for 2015 (0.7) and 2017 (0.8). The extent of the disclosures presented revolved mainly around the major CCI projects (CCID item 16) that had an average disclosure score of 0.9 throughout the reporting period. During the reporting period, the disclosure levels and quality were lower for CCID items 17, 18 and 19, with the average disclosure score for these items ranging from 0.1 and 0.6.

Throughout the reporting periods, general category 5, *Relevant regulatory measures,* general category 6, *CCI benefits/business value creation*, and general category 7, *Assurance of CCI reporting,* were not frequently disclosed, and non-disclosures on these items were more prominent than disclosures on them.

In general category 8, *Evidence of CCI*, an increasing trend was identified from 2015 to 2016 and 2017 for CCID item 25, *Actuality of CCI*, with an average disclosure score of 0.5 (2015), 0.7 (2016) and 0.8 (2017) in the sustainability reports of the sample of companies analysed.

Overall, the average disclosure score of all the CCID items in the sustainability reports was 0.4 during the 2016 reporting period and 0.5 during the 2015 and 2017 reporting periods. The analysis of the specific CCID items in table 8.9 suggests that 2016 had a marginally lower disclosure quality compared to the quality thereof in 2015 and 2017.

Figure 8.2 provides an overview of the average disclosure scores, depicting the extent and quality of the specific CCID items in the sustainability reports in relation to the "best practice" disclosure expectation of the CCI experts. The results in this figure indicate that, on average, 13 CCID items (41% = 13/32), which were regarded as essential or very important disclosure items presented in the sustainability reports of the sample of companies included, were under-disclosed according to the CCI expert "best practice" (<0.5) (see block A). On average, 12 of the essential and very important CCID items (38% = 12/32) were consistent with the CCI expert "best practice" (>0.5) (see block B). Three (9% = 3/32) of the CCID items regarded as being of intermediate importance according to the CCI expert "best practice" obtained low quality disclosure scores (<0.5) (see block C). Two CCID items (6% = 2/32) exceeded the expectation of the CCI expert "best practice" (see bock D).

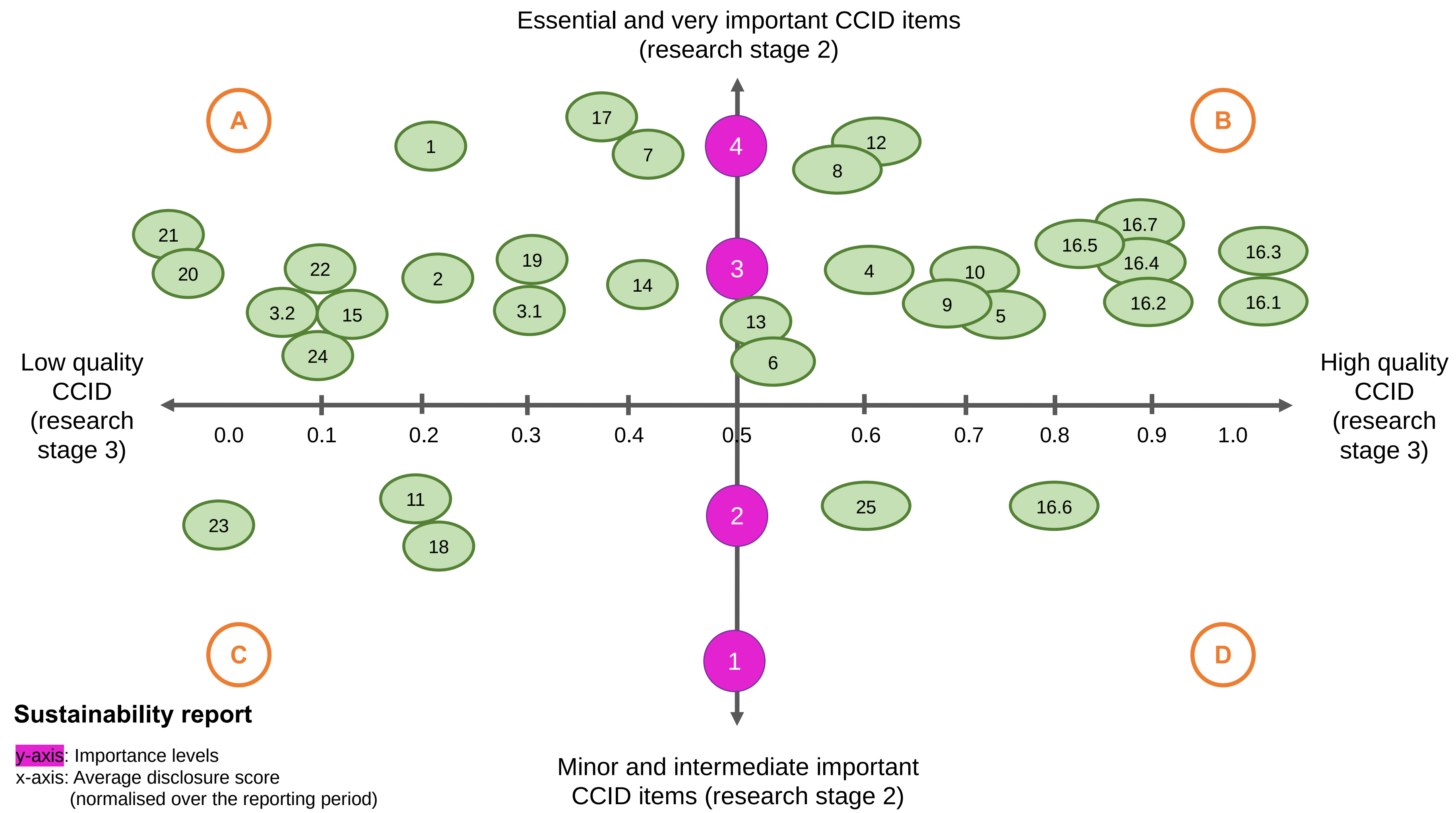


Figure 8.2: Summary of sustainability report CCID in relation to the "best practice" disclosure expectation of the CCI experts

The next section deals with the content analysis of CCID presented in the corporate webpages of the sample of JSE-listed entities.

8.3.3 CCID application: Content analysis findings on the corporate webpage

A total of 1237 sentences were coded according to the CCID framework in the corporate webpages of the sample of companies (see Appendix L). Seven of the companies (7/20 = 35%) in the sample included outdated CCID on their corporate webpages (CCID for the financial year 2016 and earlier). Of the seven companies, three were in the Basic Materials industry and four in the Financials industry.

Furthermore, not all CCID presented on the corporate webpages of the sample of companies were dated, which increased the difficulty of ascertaining whether or not the CCID presented were timeous. For example, a number of companies included CCI project descriptions, but with no indication of the date – hence the timeliness of the CCID could not be fully confirmed. The companies were given the benefit of the doubt, and accordingly, any CCID presented on the corporate webpages of the organisations without a date indication were coded in terms of the decision rules. The CCID that were not timeous (CCID relating to the 2016 financial year or earlier) and relevant (CCID that met the criteria of the decision rules for content analysis in research stage 3 – see table 5.8) were not coded. This approach might have overstated the CCID magnitude in the corporate webpages. This finding is significant for corporate managers (the preparers of CCID) because the corporate webpage represents the company and therefore needs to be relevant and up to date. During research stage 2, the importance of the corporate webpage as a disclosure medium for CCID was emphasised (see table 7.4 in section 7.3.1).

Figure 8.3 contains a summary of the majority of CCID items disclosed on the sample of companies' corporate webpages. The vast majority of CCID relate to CCID item 16.1: "*Provides a qualitative description of all major CCI projects*", according to the CCID framework (section 7.4). The frequency of this CCID item was 371 sentences, which represented almost a third of the CCID of the corporate webpages (371/1237 = 30%). This was followed by 95 sentences, representing 8% (95/1237 = 8%) relating to CCID item 25: "*Actuality of CCI*", which mainly represented CCI photographs. The prominence of these disclosure items indicates the nature of CCID on the corporate webpages of the sample of companies analysed.

The representation of these two disclosure items was in line with the disclosure medium preference, as determined in research stage 2. The majority of interviewees (57%)[54] asserted that the corporate webpage was the most appropriate disclosure medium for these two disclosure items.

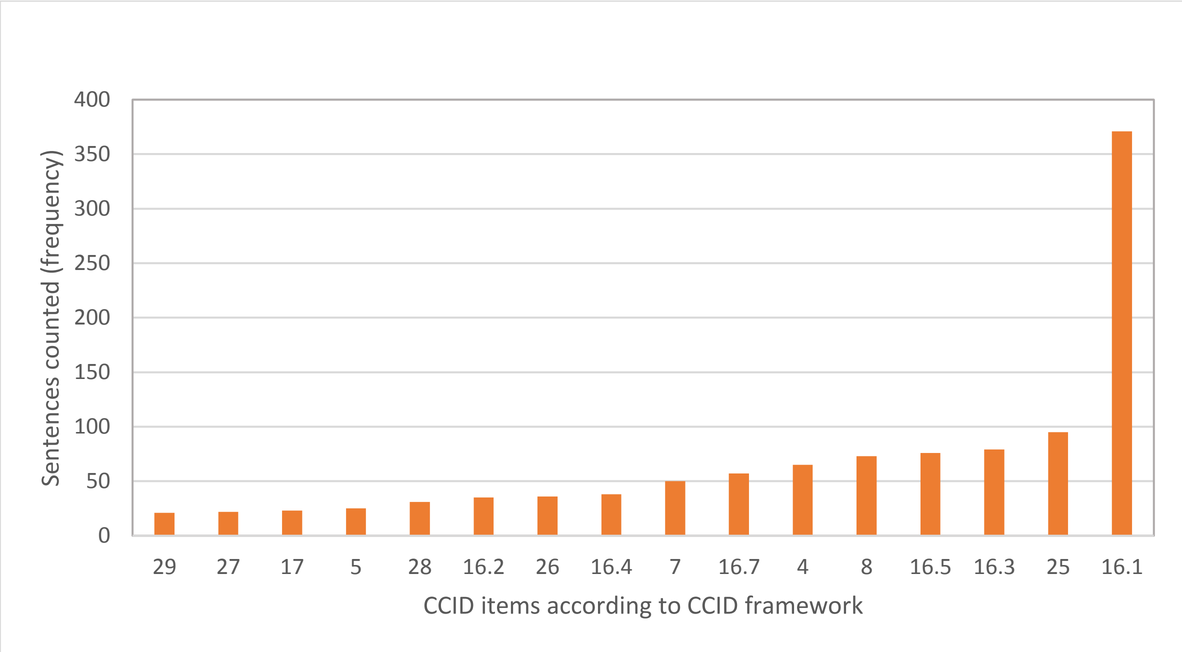


Figure 8.3: Summary of corporate webpage content analysis results

** All disclosure items with a disclosure frequency of more than 20 were included in the graph in order to illustrate the CCID frequency of the corporate webpage.*

Table 8.10 provides an item-by-item analysis of the disclosure frequency, average quality score and the importance levels for the corporate webpages reflecting the 2017 financial year.

[54] See disclosure items 13.1 and item 21, according to the initial CCID framework in table 7.3 in section 7.3.1.

Table 8.10: Summary of CCID content analysis of corporate webpages

CCID framework*		Frequency CW 2017						Percentage of disclosure	Average disclosure score (0-1)	Importance level
General categories	Specific CCID items	0	1	2	3	4	5			
1. CCI within the organisation	1. Business rationale for CCI: Demonstrates whether the company understands CCI and has a business case for it.	20	0	0	0	n/a	n/a	0%	0.0	Essential
	2. The organisation understands its potential/direct social impact on communities.	17	0	2	1	0	0	15%	0.1	Very important
	3.1 A specific board committee with explicit oversight and responsibility for CCI activities and disclosures.	19	0	0	1	n/a	n/a	5%	0.1	Very important
	3.2 Management responsibilities relating to CCI activities and disclosures.	16	0	2	2	n/a	n/a	20%	0.2	Very important
2. CCI strategy	4. Definition and explanation of the organisation's CCI policy/approach or adherence to regulatory guidance.	5	0	2	13	n/a	n/a	75%	0.7	Very important
	5. Description of how the CCI strategy is embedded within the business/company strategy.	9	0	5	6	n/a	n/a	55%	0.5	Very important
	6. Provides an overview of CCI objectives for financial year.	16	0	2	1	1	0	20%	0.1	Very important
	7. Description of how CCI is linked to the organisation’s sustainability strategy.	8	0	4	8	n/a	n/a	60%	0.5	Essential
	8. Indicates whether CCI is linked to real social needs.	6	0	3	11	n/a	n/a	70%	0.7	Essential
	9. Provides an overview of the organisation’s CCI expenditure over the last few years (any significant events or highlights).	15	0	0	0	1	4	25%	0.2	Very important
	10. Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group.	16	0	2	2	n/a	n/a	20%	0.2	Very important

Table 8.10: Summary of CCID content analysis of corporate webpages (continued)

CCID framework*		Frequency CW 2017						Percentage of disclosure	Average disclosure score (0-1)	Importance level
General categories	Specific CCID items	0	1	2	3	4	5			
3. Annual CCI expenditure	11. Definition of how the organisation determines its annual CCI budget.	17	0	0	1	0	2	15%	0.1	Intermediate importance
	12. Provides total annual CCI expenditure figure for the financial year (with comparative figures).	15	0	0	0	4	1	25%	0.2	Essential
	13. Provides percentage/monetary breakdown of annual CCI expenditure for each category.	16	0	1	2	0	0	20%	0.1	Very important
	14. Provides percentage/monetary breakdown of annual CCI expenditure for each geographical area or business segment, as most appropriate.	18	0	1	1	0	0	10%	0.1	Very important
	15. Provides nature of annual CCI expenditure breakdown.	16	0	3	1	0	0	20%	0.1	Very important
4. CCI Projects	16. An inventory of all major CCI projects supported disclosing the following:									
	16.1 Provides a qualitative description of all major CCI projects.	9	0	0	11	n/a	n/a	55%	0.6	Very important
	16.2 Provides the monetary value invested for each major CCI project (comparative figures if applicable).	9	0	1	1	4	5	55%	0.5	Very important
	16.3 States the nature of support provided.	8	0	0	12	n/a	n/a	60%	0.6	Very important
	16.4 Provides details of geographic location for each major project.	11	0	0	9	n/a	n/a	45%	0.5	Very important
	16.5 Provides details of beneficiaries for each major project.	8	0	0	12	n/a	n/a	60%	0.6	Very important
	16.6 Report on the status of the major projects, including project overview with project timeline or future prospects.	13	0	0	7	n/a	n/a	35%	0.4	Intermediate importance
	16.7 Provides details of key outputs/outcomes for each major project.	12	0	0	0	6	2	40%	0.3	Very important
	17. Provides details of project impact outcomes	12	0	3	4	0	1	40%	0.2	Essential
	18. Description of formal project impact assessments.	16	0	3	1	0	0	20%	0.1	Intermediate importance
	19. Indicates how performance results in meeting the return on expectation set against CCI strategy.	19	0	1	0	0	0	5%	0.0	Very important

Table 8.10: Summary of CCID content analysis of corporate webpages (continued)

CCID framework*		Frequency CW 2017						Percentage of disclosure	Average disclosure score (0-1)	Importance level
General categories	**Specific CCID items**	**0**	**1**	**2**	**3**	**4**	**5**			
5. Relevant regulatory measures	20. Description of CCI expenditure relative to the socio-economic development (SED) target on the BEE scorecard.	19	0	0	1	0	0	5%	0.0	Very important
	21. Description of CCI expenditure in relation to the enterprise and supplier development target on the BEE scorecard.	20	0	0	0	0	0	0%	0.0	Very important
6. CCI benefits/business value creation	22. Description of benefits arising from CCI projects that positively affect the country.	15	0	4	1	n/a	n/a	25%	0.2	Very important
	23. Description of benefits arising from CCI projects that positively affect the organisation.	20	0	0	0	0	0	0%	0.0	Intermediate importance
7. Assurance of CCI reporting	24. An indication of whether the CCI information has been assured and the scope of external assurance provided.	20	0	0	0	n/a	n/a	0%	0.0	Very important
8. Evidence	25. Actuality of CCI	12	0	5	3	n/a	n/a	40%	0.3	Intermediate importance

Table 8.10: Summary of CCID content analysis of corporate webpages (continued)

CCID framework*		Frequency CW 2017						Percentage of disclosure	Average disclosure score (0-1)	Importance level
General categories	**Specific CCID items**	**0**	**1**	**2**	**3**	**4**	**5**			
9. Corporate webpage (CW) reporting additions	26. The organisation provides a link to its CCI application form/process, if available	7	0	0	13	n/a	n/a	65%	0.7	Very important
	27. The organisation provides contact information of CCI representatives.	10	0	2	8	n/a	n/a	50%	0.5	Essential
	28. The organisation discloses the beneficiary criteria of applicable CCI projects.	13	0	0	7	n/a	n/a	35%	0.4	Essential
	29. The organisation demonstrates its impact from CCI projects on the lives of the beneficiaries by disclosing a beneficiary statement/thank you notes or beneficiary storytelling extracts.	16	0	0	4	n/a	n/a	20%	0.2	Very important

* The CCID item numbering follows the final refined CCID framework (see section 7.4, table 7.13).
"Frequency" refers to the number of companies obtaining a particular quality score (average of sentences rounded to 0-5).
"No." and "%" refer to the percentage of companies disclosing the specific CCID item.
"Average disclosure score" represents a normalised quality measure (0-1) for the reporting of each CCID item; for example, in CCID item 2, the average quality score of 0.1 was calculated as follows: ((17*0) + (0*1) + (2*2) + (1*3))/(20*5).
"Importance level" is the average rating allocated to each CCID items by the CCI experts during research stage 2 (see section 7.4, table 7.13).

General category 1, *CCI within the organisation,* was poorly disclosed because the average disclosure score was only 0.1. This indicates that this category was under-disclosed according to the CCI expert “best practice” stakeholder disclosures, thus failing to meet stakeholder requirements. The majority of companies in the sample did not disclose this category on their corporate webpages.

In general category 2, *CCI strategy*, the highest-scoring CCID items were CCID item 4, *Definition and explanation of the organisation's CCI policy/approach or adherence to regulatory guidance*, and CCID item 8*, Indicates whether CCI is linked to real social needs*. These items obtained an average disclosure score of 0.7, which was consistent with the CCI expert “best practice”, which rated these items as “very important “or “essential”. The worst-performing CCID items were CCID item 6, *Provides an overview of CCI objectives for financial year*, CCID item 9, *Provides an overview of the organisation’s CCI expenditure over the last few years (any significant events or highlights)*, and CCID item 10, *Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group*. The items were under-disclosed according to the CCI expert “best practice” in meeting stakeholder requirements.

In general category 3, *Annual CCI expenditure,* was poorly disclosed because the average disclosure score was only 0.1, which indicates that this category was under-disclosed according to the CCI expert “best practice”, and thus failed to meet stakeholder requirements. The majority of companies in the sample did not disclose this category on their corporate webpages.

In general category 4, *CCI projects*, the best-performing items were CCID items 16.1, 16.3 and 16.5 because these items provided a narrative description of the major CCI projects. All the companies that disclosed this item obtained the maximum score available. However, not all companies disclosed these items, which resulted in an average disclosure score of 0.6. CCID item 17, *Provides details of project impact outcomes,* CCID 18*, Description of formal project impact assessments*, and CCID item *19, Provides details of how performance results in meeting the return on expectations set against CCI strategy,* were poorly disclosed because the companies in the sample provided limited to no disclosures. The items were under-disclosed according to the CCI expert "best practice" for meeting stakeholder requirements.

General category 5, *Relevant regulatory measures,* general category 6, *CCI benefits/business value creation*, and general category 7, *Assurance of CCI reporting,* were poorly disclosed. Hence these items were under-disclosed according to the CCI expert "best practice" stakeholder for meeting stakeholder requirements.

General category 8, *Evidence of CCI*, was disclosed by 67% of the companies in the sample because CCID item 25, *Actuality of CCI*, obtained an average disclosure score of 0.3. Since it was ranked as an item of "intermediate importance" it was consistent with the CCI expert "best practice" stakeholder requirements.

General category 9, *Corporate webpage (CW) reporting additions*, related specifically to the CCID presented on the corporate webpages. The average disclosure score for this category was 0.4. The best performer was CCID item 26, *The organisation provides a link to its CCI application form/process, if available.* This category was disclosed by 65% of the sample, all of whom obtained the maximum score available. CCID item 29, *The organisation demonstrates its impact from CCI projects on the lives of the beneficiaries by disclosing a beneficiary statement/thank you notes or beneficiary storytelling extracts*, was the worst-performing category because it was disclosed by only 20% of the sample. CCID item 27, *The organisation provides contact information of CCI representatives*, and CCID item 28, *The organisation discloses the beneficiary criteria of applicable CCI projects,* were deemed essential disclosure items by the CCI experts. However, because these items obtained an average of 0.5 and 0.4, they were under-disclosed according to the CCI expert "best practice" for meeting stakeholder requirements.

Overall, the average disclosure score for the corporate webpages was low (0.3 for all items), and the extent of disclosures was also low because a number of companies failed to disclose any CCID information on their webpages. The best-performing items were CCID items 4, 8 and 26, which obtained an average disclosure score of 0.7. In total, 22[55] of the CCID items in the corporate webpages of the sample of companies

[55] CCID items were deemed to be under-disclosed when an essential or very important item obtained an average disclosure score of less than 0.5, and an intermediate important item obtained an average disclosure score of less than 0.3.

analysed, representing 61% (22/36) were considered to be under-disclosed according to CCI expert “best practice”.

Figure 8.4 provides an overview of the average disclosure scores, depicting the quality of the specific CCID items in the corporate webpages in relation to the “best practice” disclosure expectation of the CCI experts. The results in this figure indicate that, on average, 20 CCID items (56% = 20/36), which were regarded as essential or very important disclosure items presented in the corporate webpages of the sample of companies included, were under-disclosed according to the CCI expert “best practice” (<0.5) (see block A). On average, six of the essential and very important CCID items (17% = 6/36) were consistent with the CCI expert “best practice” (>0.5) (see block B). Five (14% = 5/36) of the CCID items regarded as being of intermediate importance according to the CCI expert “best practice” obtained low-quality disclosure scores (<0.5) (see block C).

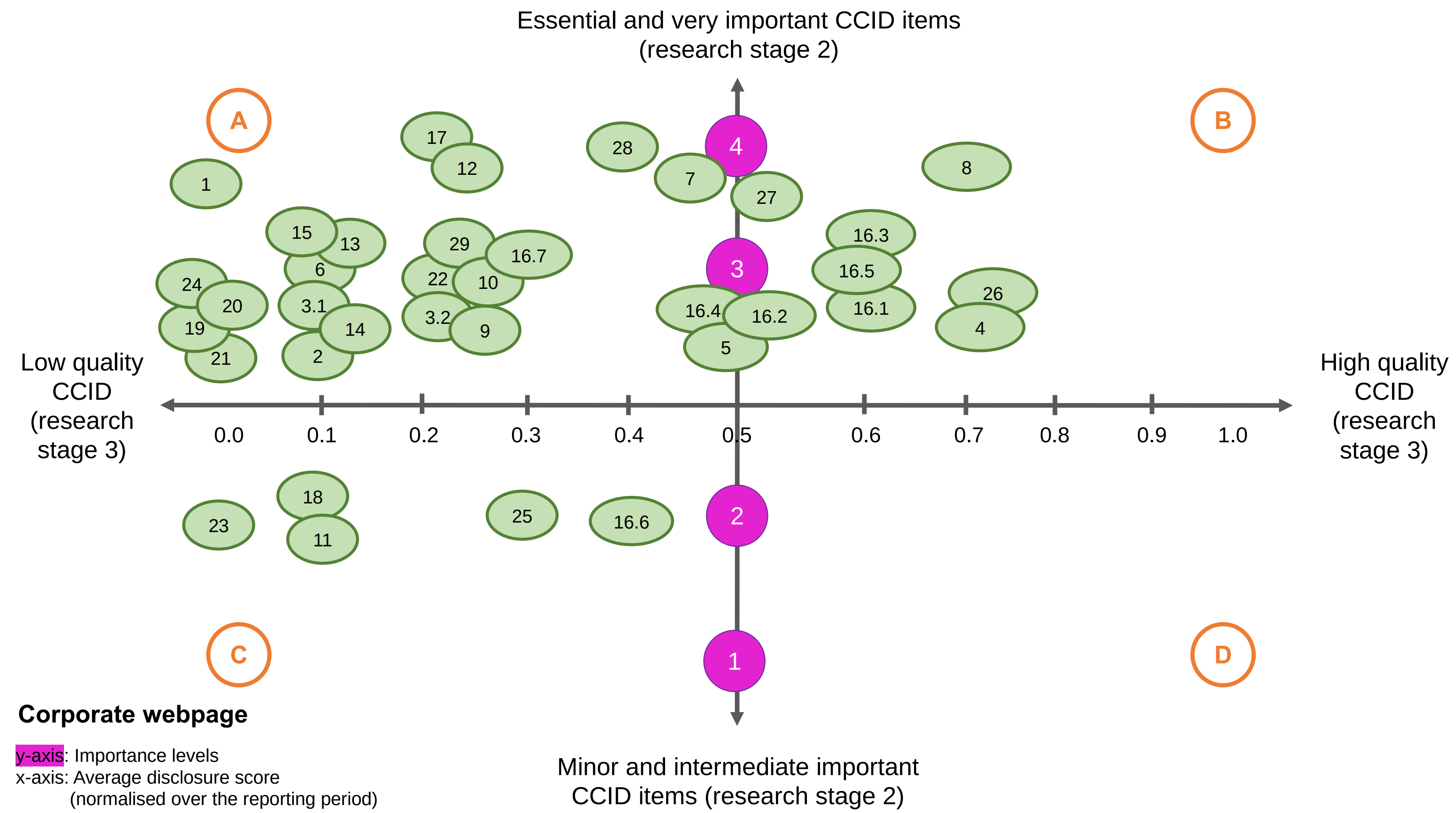


Figure 8.4: Summary of corporate webpage CCID in relation to the "best practice" disclosure expectation of the CCI experts

The following section presents a comparison of the findings of the integrated and sustainability report CCID content analysis.

8.3.4 CCID application: Integrated and sustainability report comparison

This section presents the findings relating to the CCID presented in the integrated and sustainability reports of the sample of JSE-listed entities for the period 2015 to 2017. Chapter 9 provides a discussion on the different reporting mediums. Figure 8.5, following Appendix L, provides a summary of the total number of sentences coded according to the CCID framework for the integrated and sustainability reports investigated.[56]

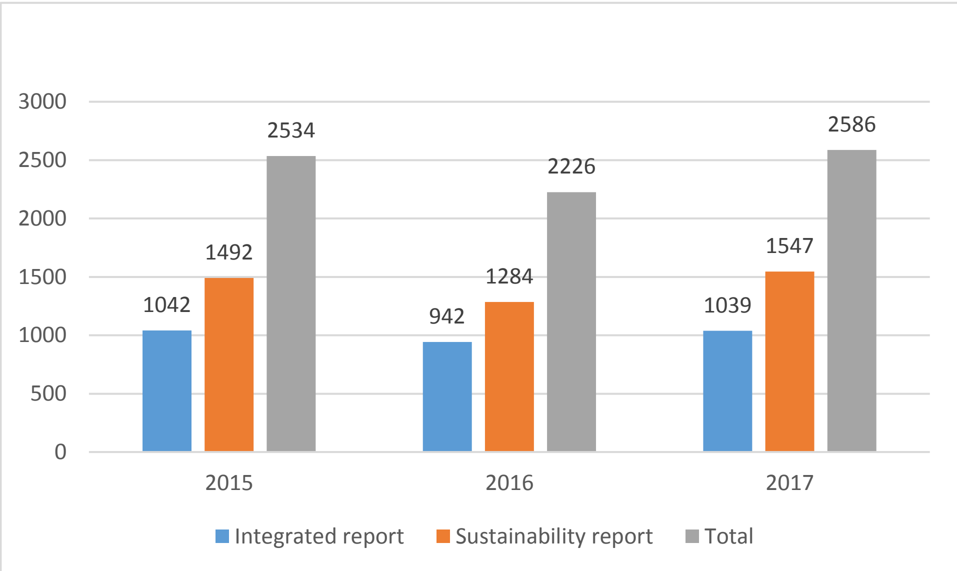


Figure 8.5: Summary of total CCID sentences year-on-year comparison

These frequencies excluded any general CCID statements made (see decision rules for research stage 3).

Over the reporting period, 3 023 sentences were coded according to the CCID framework in the integrated reports (60 reports), and 4 323 in the sustainability reports (36 reports) of the sample of companies. The results in figure 8.5 indicate that there was no specific increase or decrease in the reporting frequency of CCID over the reporting period. The 2016 financial year showed a decrease in the number of

[56] To allow for a comparison over the reporting period of the study, the corporate webpage was not included in figure 8.5, as the corporate webpage relates only to the 2017 financial year.

sentences disclosed compared to the 2015 and 2017 financial years. The greatest CCID movement was the increase in CCID of the sustainability report from the 2016 financial year to the 2017 financial year.

Table 8.11 indicates the data as presented in sections 8.3.1 and 8.3.2 and provides a summary of the average quality disclosure score for each general CCI category in the integrated and sustainability reports over the reporting period.

Table 8.11: Summary of average disclosure scores for each general category

General CCI categories	Integrated report (summarised from table 8.5)			Sustainability report (summarised from table 8.9)			Corporate webpage (summarised from table 8.10)
	2015	2016	2017	2015	2016	2017	2017
1. CCI within the organisations	0.3	0.3	0.3	0.2	0.2	0.2	0.1
2. CCI strategy	0.4	0.4	0.4	0.6	0.6	0.6	0.4
3. Annual CCI expenditure	0.2	0.2	0.3	0.4	0.3	0.4	0.1
4. CCI projects	0.4	0.4	0.4	0.7	0.6	0.8	0.4
5. Relevant regulatory measures	0.0	0.0	0.0	0.1	0.1	0.0	0.0
6. CCI benefits/business value creation	0.0	0.0	0.0	0.0	0.0	0.0	0.1
7. Assurance of CCI	0.1	0.1	0.1	0.2	0.2	0.1	0.0
8. Evidence	0.3	0.3	0.3	0.5	0.7	0.8	0.3

Table 8.11 indicates that the average disclosure scores were higher in the sustainability report than in the integrated report, for all categories, except for general category 1, and higher compared to the corporate webpages. The average disclosure score for the general CCI categories in the integrated report remained relatively constant, but the average disclosure score for the general CCI categories in the sustainability report changed over the reporting period. The annual comparisons (see sections 8.3.1.4 and 8.3.2.4 and Appendix L) indicate that the extent of CCID changed over the reporting period analysed, but no consistent increase or decrease was apparent.

The next section presents the inferential statistics on the CCID in the integrated and sustainability reports.

8.3.4.1 Statistical and practical significance between CCID in the integrated and sustainability reports

In addition to the quantitative analysis of qualitative data in sections 8.3.1 to 8.3.3, the purpose of this section is to statistically determine any significant differences between the average quality[57] of CCID presented in the integrated report and sustainability reports over the three-year period analysed. A comparison with the CCID presented in the corporate webpages was not included in this analysis because of the different nature of CCI reporting depicted in the corporate webpages (see section 8.3.3). A paired t-test was conducted to determine whether there was a statistical difference between the mean of the CCID presented in these two reporting mediums. One of the advantages of a paired t-test is that it can be calculated on small sample sizes, which is based on the assumption that the data is normally distributed (Hays, 1994). To corroborate the findings and accommodate any possible non-parametric or unknown distributions, a Wilcoxon signed rank test was also conducted.

According to Lakens (2013), effect sizes communicate the practical significance of the statistical results. Effect sizes indicate how large the differences really are (Walker 2007), and are a significant outcome of empirical studies, which support the results of t-tests (Laker, 2013). In this study, Cohen's *d* was applied, which is the measure generally used to calculate effect sizes (Lakens, 2013; Walker, 2007). Cohen (1988) suggested that if *d* equals 0.2, it indicates a small effect size, whereas 0.5 is a medium and 0.8 a large effect size.

All content analysis data relating to the integrated and sustainability reports was exported from ATLAS.ti to Ms Excel. The data was stratified before calculating the statistical measures in SAS JMP version 14. The results of the inferential statistics are presented for each of the 2017, 2016 and 2015 financial years. According to Wasserstein and Lazar (2016), statistical significance for the matched-pair t-test was calculated at a 95% level of confidence ($p \leq 0.05$).

[57] In this section, the average quality scores, before any rounding ("raw mark"), were used, as opposed to the average disclosure scores used in sections 8.3.1 to 8.3.3, which were rounded and normalised. This is because the purpose of those sections was to determine the frequency of disclosures relating to the quality scale adopted.

Table 8.12 provides the statistical results of the average quality comparison between the CCID presented in the integrated and sustainability reports for the 2017 financial year.

Table 8.12: Statistical and practical significance results: 2017 integrated and sustainability report comparison

CCID items	IR 2017	SR 2017	Mean difference	Standard error	t-ratio	DF	Prob > |t|	Wilcoxon sign	Prob > |S|	Cohen's *d*
1	1.21818	0.85758	-0.3606	0.43468	-0.82959	10	0.4261	-12.500	0.4375	-0.25013
2	0.36364	1.07071	0.70707	0.4918	1.437717	10	0.1811	14.500	0.1875	0.433488
3.1	1.09091	0.54545	-0.5455	0.67909	-0.80322	10	0.4405	-8.500	0.6875	-0.24218
3.2	0	0.54545	0.54545	0.3659	1.490712	10	0.1669	10.500	0.5000	0.449467
4	0.75455	1.52652	0.77197	0.37798	2.042355	10	0.0684	22.500	0.0625	0.615793
5	1.07576	2.06277	0.98701	0.52177	1.891654	10	0.0878	19.500	0.0977	0.570355
6	2.23117	2.42582	0.19465	0.60026	0.324274	10	0.7524	4.000	0.7930	0.097772
7	0.45455	1.15152	0.69697	0.51139	1.362881	10	0.2028	12.000	0.1875	0.410924
8	1.02727	1.57576	0.54848	0.32051	1.711264	10	0.1178	22.500	0.0625	0.515966
9	1.8961	3.24649	1.35039	0.64001	2.109945	10	0.0610	20.500	0.0605	0.636172
10	2.08487	1.9816	-0.1033	0.30629	-0.33714	10	0.7430	9.000	0.6875	-0.10165
11	0.63636	1.04545	0.40909	0.81133	0.504219	10	0.6250	5.500	0.6250	0.152028
12	2.71364	2.82468	0.11104	0.80827	0.137378	10	0.8935	3.500	0.8438	0.041421
13	1.09091	3.14545	2.05455	0.68707	2.990297	10	0.0136*	25.500	0.0313*	0.901608
14	1.25505	2.87121	1.61616	0.66444	2.432363	10	0.0353*	25.500	0.0313*	0.733385
15	0	0.45455	0.45455	0.45455	1	10	0.3409	5.500	1.0000	0.301511
16.1	2.36364	2.96896	0.60532	0.35325	1.713604	10	0.1174	7.500	0.3125	0.516671
16.2	2.24242	4.35195	2.10952	1.0046	2.099861	10	0.0621	16.500	0.1641	0.633132
16.3	1.36364	3	1.63636	0.47238	3.464102	10	0.0061**	25.500	0.0313*	1.044466
16.4	1.63636	2.72727	1.09091	0.45636	2.390457	10	0.0379*	19.000	0.1250	0.72075
16.5	0.81818	2.60606	1.78788	0.59505	3.004578	10	0.0132*	23.500	0.0430*	0.905914
16.6	1.36364	2.7197	1.35606	0.46981	2.886421	10	0.0162*	22.500	0.0625	0.870289
16.7	2.28485	4.16345	1.8786	0.70431	2.667299	10	0.0236*	26.500	0.0195*	0.804221

Table 8.12: Statistical and practical significance results: 2017 integrated and sustainability report comparison (continued)

CCID items	IR 2017	SR 2017	Mean difference	Standard error	t-ratio	DF	Prob > │t│	Wilcoxon sign	Prob > │S│	Cohen's *d*
17	0.74747	2.97619	2.22872	0.61513	3.62318	10	0.0047**	31.500	0.0039**	1.09243
18	0.24242	1.55303	1.31061	0.43839	2.98961	10	0.0136*	25.500	0.0313*	0.901401
19	0.72727	1.51515	0.78788	0.53612	1.469607	10	0.1724	10.500	0.5000	0.443103
24	0	0.18182	0.18182	0.18182	1	10	0.3409	5.500	1.0000	0.301511
25	1	2.25758	1.25758	0.50119	2.509168	10	0.0310*	19.500	0.0625	0.756543

IR: Integrated report; SR: Sustainability report; DF: Degrees of freedom
* $p \leq 0.05$; ** $p \leq 0.01$

Table 8.12 indicates that there was a statistically significant difference in the average quality of the following ten CCID items during 2017: CCID items 13, 14, 16.3, 16.4, 16.5, 16.6, 16.7, 17, 18 and 25. In all instances, the average quality of the CCID in the sustainability reports was higher than that in the integrated reports. For the 2017 financial year, all the datasets were normally distributed, except for CCID item 16.5, which indicated a slight skewness of -1.746023. However, both the matched t-test and the Wilcoxon signed rank test were statistically significant for this disclosure item. The effect sizes of all of the statistically significant differences, calculated by means of Cohen's *d*, were also deemed to be large or close to being large (all items were $\geq$ 0.7), which further suggested the practical significance of the disclosure differences. None of the CCID items with no statistical significance had any practical significance.

During 2017, CCID items 16.6, 18 and 25, which were considered to be of intermediate importance when meeting stakeholder requirements (see table 7.13), indicated CCID of a higher quality in the sustainability reports than in the integrated reports. The significant difference identified for these items could suggest that JSE-listed organisations tend to emphasise these CCID items. When considering the nature of these CCID items, it is possible that they afford organisations the opportunity to effortlessly present CCID, or that organisations are explicitly over-reporting on these items.

CCID item 17 was deemed an essential CCID item by CCI experts during research stage 2 (see table 7.2). Although the quality of the disclosure levels failed to meet stakeholder expectation levels, the sustainability report indicated a significantly higher disclosure quality in comparison with the integrated report. This finding might suggest that JSE-listed organisations attempt to disclose information relating to this disclosure item. In addition to the identified CCI reporting challenges, the extent, quality and appropriate reporting medium furthermore hinders reporting on this disclosure item.

These findings should provide reporting guidance for corporate managers (preparers) who are responsible for CCID at JSE-listed organisations. Table 8.13 contains the statistical results of the average quality comparison between the integrated and sustainability reports for the 2016 financial year.

Table 8.13: Statistical and practical significance results: 2016 integrated and sustainability report comparison

CCID items	IR 2016	SR 2016	Mean difference	Standard error	t-ratio	DF	Prob > |t|	Wilcoxon sign	Prob > |S|	Cohen's *d*
1	1.67949	0.61538	-1.0641	0.34568	-3.0783	12	0.0096**	-35.000	0.0156*	-0.85377
2	0.67949	1.12821	0.44872	0.44111	1.017238	12	0.3291	7.000	0.5469	0.282131
3.1	1.07692	0.94231	-0.1346	0.58192	-0.23133	12	0.8210	-3.500	0.6406	-0.06416
3.2	0	0.42308	0.42308	0.22536	1.877304	12	0.0850	18.000	0.2500	0.52067
4	1.63462	2.01346	0.37885	0.41835	0.905577	12	0.3830	18.000	0.3125	0.251162
5	0.83333	1.73427	0.90093	0.49975	1.802782	12	0.0966	23.000	0.1367	0.500002
6	1.85641	1.82095	-0.0355	0.44979	-0.07884	12	0.9385	9.500	0.7695	-0.02187
7	0.42308	0.76923	0.34615	0.433	0.799437	12	0.4396	6.000	0.6875	0.221724
8	1.20513	1.72712	0.52199	0.47975	1.088057	12	0.2979	11.500	0.2852	0.301773
9	2.11538	3.31692	1.20154	0.60051	2.000848	12	0.0686	19.500	0.0938	0.554935
10	2.00781	1.75329	-0.2545	0.43258	-0.58838	12	0.5672	-2.000	0.6758	-0.16319
11	0.23077	0.76923	0.53846	0.52642	1.02287	12	0.3265	11.500	0.5000	0.283693
12	3.02564	2.35385	-0.6718	0.80101	-0.83868	12	0.4180	-7.000	0.3594	-0.23261
13	0.57692	0.92308	0.34615	0.54709	0.632716	12	0.5388	11.000	0.6250	0.175484
14	0	1.77821	1.77821	0.65228	2.726119	12	0.0184*	27.500	0.0625	0.756089
15	0	0.61538	0.61538	0.43173	1.425393	12	0.1795	12.500	0.5000	0.395333
16.1	1.65734	2.50919	0.85185	0.48995	1.73864	12	0.1077	22.500	0.1016	0.482212
16.2	2.25	3.53352	1.28352	0.85955	1.493239	12	0.1612	13.000	0.3379	0.41415
16.3	1.13462	2.47436	1.33974	0.56001	2.392363	12	0.0340*	24.000	0.0703	0.663522
16.4	0.92308	2.05594	1.13287	0.54532	2.077435	12	0.0599	22.000	0.1250	0.576177
16.5	0.91758	2.30769	1.39011	0.43029	3.230606	12	0.0072**	35.000	0.0156*	0.896009
16.6	0.44615	2.05769	1.61154	0.42245	3.814717	12	0.0025**	38.000	0.0078**	1.058012
16.7	1.99793	4.23723	2.2393	0.65472	3.420259	12	0.0051**	35.000	0.0098**	0.948609

Table 8.13: Statistical and practical significance results: 2016 integrated and sustainability report comparison (continued)

CCID items	IR 2016	SR 2016	Mean difference	Standard error	t-ratio	DF	Prob > │t│	Wilcoxon sign	Prob > │S│	Cohen's *d*
17	0.88034	1.35256	0.47222	0.59407	0.794892	12	0.4421	11.500	0.4375	0.220463
18	0.19231	0.6044	0.41209	0.25577	1.611135	12	0.1331	18.000	0.2500	0.446848
19	1.13462	0.49615	-0.6385	0.44481	-1.43535	12	0.1767	-13.000	0.2500	-0.39809
20	0	0.23077	0.23077	0.23077	1	12	0.3370	6.500	1.0000	0.27735
22	0.38462	0.30769	-0.0769	0.28782	-0.26726	12	0.7938	-0.500	1.0000	-0.07412
23	0	0.23077	0.23077	0.23077	1	12	0.3370	6.500	1.0000	0.27735
24	0.46154	0.46154	0	0.48038	0	12	1.0000	0.000	1.0000	0
25	0.57692	1.76374	1.18681	0.42215	2.811326	12	0.0157*	28.000	0.0313*	0.779722

IR: Integrated report; SR: Sustainability report; DF: Degrees of freedom
* $p \leq 0.05$; ** $p \leq 0.01$

Table 8.13 indicates that there was a statistically significant difference in the average quality of CCID of the following seven items for the 2016 financial year: CCID items 1, 14, 16.3, 16.5, 16.6, 16.7 and 25. In all instances, the average CCID quality of the sustainability report was higher than that of the integrated report, except for CCID item 1. For the 2016 financial year, all the datasets were normally distributed. The effect sizes of all of the statistically significant differences, calculated by means of Cohen's *d*, were considered to be large, except for CCID item 16.3, which had a practical significance of 0.663522. None of the non-statistical significant CCID items had large effect sizes, also suggesting the absence of practical significance.

During 2016, CCID item 1 specifically, was the only disclosure item among the disclosures presented in the integrated report that was significantly higher than those in the sustainability report. This concurs with the opinions of the CCI experts, namely that the integrated report is the most appropriate disclosure medium for this "essential" disclosure item (see table 7.3). With the exception of CCID item 1, the statistical results for 2016 were similar to those for the 2017 financial year (see table 8.12).

Table 8.14 indicates the statistical results for the average quality comparison between the integrated and sustainability reports for the 2015 financial year.

Table 8.14: Statistical and practical significance results: 2015 integrated and sustainability report comparison

CCID items	IR 2015	SR 2015	Mean difference	Standard error	t-ratio	DF	Prob > |t|	Wilcoxon sign	Prob > |S|	Cohen's *d*
1	1.13889	0.38542	-0.7535	0.37502	-2.00917	11	0.0697	-17.000	0.1250	-0.58
2	0.5	1.2625	0.7625	0.49735	1.533124	11	0.1535	14.000	0.3125	0.442575
3.1	1.89583	0.9	-0.9958	0.52297	-1.90417	11	0.0834	-18.500	0.1719	-0.54969
3.2	0.5	0	-0.5	0.3371	-1.48324		0.1661	-11.500	0.5000	-0.42817
4	1.70833	1.66204	-0.0463	0.49468	-0.09359	11	0.9271	-7.000	0.9063	-0.02702
5	0.45833	1.89036	1.43203	0.38566	3.713214	11	0.0034**	34.000	0.0078**	1.071913
6	1.6369	2.8102	1.1733	0.45353	2.587016	11	0.0253*	30.000	0.0195*	0.746807
7	0.41667	1.56944	1.15278	0.44545	2.587898	11	0.0252*	24.500	0.0469*	0.747062
8	0.8125	1.88046	1.06796	0.59206	1.803804	11	0.0987	21.000	0.1348	0.520713
9	2.66667	3.35543	0.68876	0.82955	0.83028	11	0.4240	10.000	0.4453	0.239681
10	1.88228	2.02942	0.14714	0.44777	0.328614	11	0.7486	15.000	0.4023	0.094863
11	0.25	1.29167	1.04167	0.66418	1.568359	11	0.1451	16.500	0.1875	0.452746
12	3.8	3.98194	0.18194	0.53172	0.342182	11	0.7387	10.000	0.4609	0.098779
13	0.36111	3.27778	2.91667	0.61426	4.748264	11	0.0006**	36.000	0.0039**	1.370706
14	1.5119	1.91667	0.40476	0.65322	0.619639	11	0.5481	3.000	0.6250	0.178874
16.1	1.5	2.9753	1.4753	0.45389	3.250343	11	0.0077**	23.000	0.0391*	0.938293
16.2	1.60714	4.78568	3.17854	0.64969	4.892413	11	0.0005**	34.500	0.0039**	1.412318
16.3	1.5	2.97917	1.47917	0.44643	3.31334	11	0.0069**	28.500	0.0313*	0.956479
16.4	1.26042	2.74479	1.48438	0.58762	2.526084	11	0.0282*	22.000	0.0703	0.729218
16.5	1.33333	2.4201	1.08676	0.48337	2.248329	11	0.0460*	18.500	0.0781	0.649037
16.6	0.73958	2.23716	1.49758	0.58064	2.579207	11	0.0256*	27.000	0.0430*	0.744553
16.7	1.98295	4.49525	2.51229	0.62689	4.007545	11	0.0021**	34.000	0.0049**	1.156879
17	0.5625	1.79444	1.23194	0.62179	1.981278	11	0.0731	22.500	0.1094	0.571946

Table 8.14: Statistical and practical significance results: 2015 integrated and sustainability report comparison (continued)

CCID items	IR 2015	SR 2015	Mean difference	Standard error	t-ratio	DF	Prob > │t│	Wilcoxon sign	Prob > │S│	Cohen's *d*
18	0.58333	1.36004	0.77671	0.46176	1.68206	11	0.1207	20.500	0.0938	0.485569
19	0.97083	1.86944	0.89861	0.6741	1.333063	11	0.2095	13.000	0.2500	0.384822
20	0.16667	0.5	0.33333	0.25624	1.300887	11	0.2199	11.500	0.5000	0.375534
22	0	0.33333	0.33333	0.22473	1.48324	11	0.1661	11.500	0.5000	0.428175
24	0.25	0.5	0.25	0.44594	0.560612	11	0.5863	5.500	1.0000	0.161835
25	0.5	1.40069	0.90069	0.4095	2.1995	11	0.0501	17.000	0.1250	0.634941

IR: Integrated report; SR: Sustainability report; DF: Degrees of freedom
* $p \leq 0.05$; ** $p \leq 0.01$

Table 8.14 indicates that for the 2015 financial year there was a statistically significant difference in the average quality of CCID for the following 11 items: CCID items 5, 6, 7, 13, and 16.1 to 16.7. In all instances, the average quality of CCID in the sustainability report was higher than that of the integrated report. For the 2015 financial year, all the datasets were normally distributed. The effect sizes of all of the statistically significant differences, calculated by means of Cohen's *d*, were considered to be large, except for CCID item 16.5, which had a practical significance of 0.649037. None of the non-statistical significant CCID items had large effect sizes, also suggesting the absence of practical significance.

In summary, over the three-year period (2015 to 2017), the majority of the CCID items, which allowed for a comparison between the different reporting mediums, were not statistically or practically significant. This suggests that there was no statistical or practical significance between the quality of the majority of CCID presented in the integrated and sustainability reports of the organisations analysed. However, there was evidence of statistically significant differences in each year. The statistically significant items varied from seven to 11 specific CCID items in each of the years, and had similar trends in terms of statistical and practical significance. Over the reporting period analysed, the significant differences were mostly concentrated among CCID item 16 which related to the organisation's major CCI project disclosures (see tables 8.12 to 8.14). In every year, CCID item 16 disclosed in the sustainability report, was, on average ,of a higher quality than those in the integrated report. In addition, each year also had unique differences, which indicates the voluntary, evolving and current inconsistent nature of CCID presented by the sample of JSE-listed organisations.

In all (except one) of the statistically significant disclosure items identified over the sample period, the sustainability report presented CCID of a higher quality in comparison with the CCID in the integrated report. This supports the premise that the scope and nature of the sustainability reports do afford JSE-listed organisations the opportunity to present CCID of a higher quality in comparison with the integrated report. The types of CCID items that were found to be statistically significant in the sustainability report possibly reflect the approach adopted by JSE-listed organisations to disclose or emphasise their CCI activities. An overall discussion of all the findings is provided in chapter 9.

8.3.5 CCID application: Differences between the Basic Materials and Financials industries

From the total sample of 116 corporate documents analysed during research stage 3, 57 of the documents related to the Basic Materials industry and 59 to the Financials industry (see table 8.1). The Financials industry had 3 288 sentences compared to 4 058 sentences relating to the Basic Materials industry over the sample period in the integrated and sustainability reports. In the corporate webpages, the extent of CCID was equally distributed between both industries, where the Basic Materials industry presented 616 sentences and the Financials industry 621 sentences (616 + 621 = 1 237), according to the CCID framework. In the sample of companies analysed, the Basic Materials industry had 23%[58] more CCID in its integrated and sustainability reports compared to the Financials industry. The Financials industry made 60 general statements (23% = 60/262) compared to the Basic Materials industry's 202 general statements (77% = 202/262).[59] General statements were coded in terms of the coding decision rules because CCID items could not meaningfully be included or added to the CCID framework (see decision rules for research stage 3). A possible reason for this could be the nature of the Basic Materials industry, which is reliant on the communities in which it operates.

The difference between the two industries included in sample of companies was determined by calculating the statistical and practical significance of the average quality, which is discussed below.

8.3.5.1 Statistical and practical significance between CCID in the Basic Materials and Financials industries

In addition to the quantitative analysis of qualitative data in sections 8.3.1 to 8.3.3, the purpose of this section is to statistically determine any significant differences between the average quality[60] of CCID, disclosed by the Basic Materials and Financials

[58] Total difference calculated as follows: (4 058 – 3 288)/3 288 = 23%.
[59] General CCID statements as a percentage of total industry disclosures were 4.7% (202/(4058 +202)) for the Basic Materials industry and 1.8% (60/(3 288 +60)) for the Financials industry.
[60] In this section, the average quality scores, before any rounding ("raw mark"), were used, as opposed to the average disclosure scores used in sections 8.3.1 to 8.3.3, which were rounded and normalised. This is because the purpose of those sections was to determine the frequency of disclosures relating to the quality scale adopted.

industries in the integrated and sustainability reports over the three-year period analysed. Independent t-tests were conducted to determine whether there was a statistical difference between the mean of the average disclosures presented by the two industries. Levene's test was conducted to determine whether the variances in the two industries were equal, and based on the significance, the t-tests were calculated assuming equal or unequal variances. In addition, in order to corroborate the findings and accommodate any possible non-parametric or unknown distributions, a Wilcoxon/Kruskal-Wallis test calculating a chi square was included. Similar to section 8.3.4, the practical significance (effect size) using Cohen's *d* was calculated.

The data was stratified in Ms Excel before calculating the statistical measures in JMP (SAS) version 14. The results of the inferential statistics are provided for the integrated and sustainability reports during the 2017, 2016 and 2015 financial years. According to Wasserstein and Lazar (2016), the statistical significance was calculated at a 95% level of confidence ($p \leq 0.05$).

Table 8.15 contains the statistical results of the average quality comparison between the CCID presented in the integrated report by the Basic Materials and Financials industry companies for the 2017 financial year.

Table 8.15: Statistical and practical significance results on industries: 2017 integrated report

2017 integrated report												
CCID item	**Mean**		**Median**		**Standard deviation**		**Independent t-test**		**Wilcoxon/Kruskal-Wallis test**		**DF**	**Cohen's d**
	Basic Materials	**Financials**	**Basic Materials**	**Financials**	**Basic Materials**	**Financials**	**t-ratio**	**Prob > |t|**	**Chi square**	**Prob > chi square**		
1	1.33333	1.14000	1	1	1.4401646	1.2366622	-0.32207	0.7511	0.2008	0.6541	18	0.144032
2	0.5	0.8	0	0	1.0801234	1.0327956	0.634811	0.5335	0.5689	0.4507	18	-0.2839
3.1	1.8	1.2	3	0	1.5491933	1.5491933	-0.86603	0.3979	0.7600	0.3833	18	0.387298
3.2	0.4	0	0	0	0.9660918	0	-1.30931	0.2229	2.1053	0.1468	18	0.58554
4	1.2	0.805	0	0	1.5491933	1.2983857	-0.61796	0.5443	0.9619	0.3267	18	0.276359
5	1.3666667	1.2333334	1	1	1.4694418	1.312805	-0.21398	0.8330	0.2773	0.5985	18	0.095694
6	2.1323077	2.075	2.7	3	1.1887357	1.433963	-0.09729	0.9236	0.4913	0.4833	18	0.043512
7	0.8	0.7	0	0	1.3165612	1.1595018	-0.18025	0.8590	0.0197	0.8883	18	0.080611
8	0.875	1.355	0	1	1.4105259	1.4545809	0.749142	0.4635	0.4709	0.4926	18	-0.33503
9	1.3769231	2.3857143	0	3	2.2422194	2.1592495	1.024806	0.3190	0.9958	0.3183	18	-0.45831
10	2.90932	1.075	2.94375	0.875	0.098915	1.1788059	-4.90354	0.0008**	10.0996	0.0015**	18	2.192927
11	0.9	0	0	0	1.5238839	0	-1.86763	0.0947	3.3268	0.0682	18	0.835229
12	3.16	4	4.425	4.25	2.1924703	1.4719601	1.005891	0.3297	0.1781	0.6730	18	-0.44985
13	0.8	1.2	0	0	1.6865481	1.9321836	0.493197	0.6278	0.2533	0.6147	18	-0.22056
14	2.6472222	0	3.833333	0	2.3137794	0	-3.618	0.0056**	7.8261	0.0051**	18	1.618018
15	0.45	0	0	0	1.4230249	0	-1	0.3434	1.0000	0.3173	18	0.447214
16.1	2.2977778	2.1	3	3	1.2503037	1.4491377	-0.32677	0.7476	0.0321	0.8577	18	0.146137
16.2	2.975	1.9666667	4.875	0	2.5616021	2.5407785	-0.88378	0.3885	0.9298	0.3349	18	0.395237
16.3	1.5	1.8	1.5	3	1.5811388	1.5491933	0.428571	0.6733	0.1919	0.6613	18	-0.19166
16.4	1.8	1.5	3	1.5	1.5491933	1.5811388	-0.42857	0.6733	0.1919	0.6613	18	0.191663
16.5	1.2	1.1941176	0	0	1.5491933	1.5416928	-0.00851	0.9933	0.0308	0.8608	18	0.003806
16.6	2.1	0.9	3	0	1.4491377	1.4491377	-1.85164	0.0806	3.0400	0.0812	18	0.828079
16.7	2.8244444	3.0396154	4.333333	4.166667	2.4414898	2.1700993	0.208304	0.8373	0.0240	0.8769	18	-0.09316
17	0.86	1.3222222	0	0	1.4361987	1.9248216	0.60863	0.5504	0.2844	0.5938	18	-0.27219
18	0.3	0.2666667	0	0	0.9486833	0.843274	-0.08305	0.9347	0.0053	0.9422	18	0.037139
19	0	0.8	0	0	0	1.7511901	1.44463	0.1825	2.1053	0.1468	18	-0.64606

Table 8.15: Statistical and practical significance results on industries: 2017 integrated report (continued)

2017 integrated report												
CCID item	Mean		Median		Standard deviation		Independent t-test		Wilcoxon/Kruskal-Wallis test		DF	Cohen's d
	Basic Materials	Financials	Basic Materials	Financials	Basic Materials	Financials	t-ratio	Prob > │t│	Chi square	Prob > chi square		
20	0	0.2	0	0	0	0.6324555	1	0.3434	1.0000	0.3173	18	-0.44721
23	0	0.2	0	0	0	0.6324555	1	0.3434	1.0000	0.3173	18	-0.44721
24	0	0.3	0	0	0	0.9486833	1	0.3434	1.0000	0.3173	18	-0.44721
25	0.9	1.1	0	0	1.4491377	1.4491377	0.308607	0.7612	0.1000	0.7518	18	-0.13801

CCID items 21 and 22 were not included in the table, as the average score was 0 for both industries.
*p ≤ 0.05; ** p ≤ 0.01

Table 8.15 indicates that there was a statistically significant difference between the Basic Materials and Financial industries' average disclosure quality of CCID item 10, *Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group,* and CCID item 14, *Provides percentage/monetary breakdown of annual CCI expenditure for each geographical area or business segment, as most appropriate*, in the 2017 integrated report. The effect size was also deemed large for these items, suggesting the practical significance of the disclosure differences. For both of these items, the Basic Materials industry provided a higher average disclosure quality than the Financials industry. The practical significance of CCID items 11 and 16.6 was deemed large, but the differences were not statistically significant for those items. CCID item 10 was not normally distributed (skewness of 2.99), but both the t-test and the chi square test were statistically significant for this disclosure item.

Table 8.16 contains the statistical results of the average quality comparison between the CCID presented in the sustainability report by the Basic Materials and Financials industry companies for the 2017 financial year.

Table 8.16: Statistical and practical significance results on industries: 2017 sustainability report

2017 sustainability report												
CCID item	**Mean**		**Median**		**Standard deviation**		**Independent t-test**		**Wilcoxon/Kruskal-Wallis test**		**DF**	**Cohen's d**
	Basic Materials	**Financials**	**Basic Materials**	**Financials**	**Basic Materials**	**Financials**	**t-ratio**	**Prob > |t|**	**Chi square**	**Prob > chi square**		
1	0.85	0.8666667	0	0	1.317194	1.1925696	0.021787	0.9831	0.0447	0.8325	9	-0.01319
2	1.5	0.5555556	1.25	0	1.6733201	1.24226	-1.04179	0.3247	1.1179	0.2904	9	0.630833
3.1	0.5	0.6	0	0	1.2247449	1.3416408	0.129219	0.9000	0.0185	0.8918	9	-0.07825
3.2	0.5	0.6	0	0	1.2247449	1.3416408	0.129219	0.9000	0.0185	0.8918	9	-0.07825
4	1.4583333	1.6083333	1.375	2.375	1.6001302	1.4847605	0.159826	0.8765	0.0374	0.8466	9	-0.09678
5	2	2.1380952	3	2.833333	1.5491933	1.2583508	0.159786	0.8766	0.5986	0.4391	9	-0.09676
6	2.4542749	2.3916667	2.869318	3	1.2168268	1.4993054	-0.07661	0.9406	0.1346	0.7138	9	0.046387
7	1.3333333	0.9333333	1	0	1.5055453	1.2995726	-0.46595	0.6523	0.3607	0.5481	9	0.282147
8	1.3888889	1.8	1.166667	3	1.5408031	1.6431677	0.427775	0.6789	0.3667	0.5448	9	-0.25903
9	3.0588235	3.4716883	3.166667	3.272727	0.4929335	1.1336563	0.811361	0.4381	0.2093	0.6473	9	-0.4913
10	2.327381	1.5666667	2.982143	2	1.2072098	1.4794894	-0.94096	0.3713	1.2878	0.2565	9	0.569782
11	1.0833333	1	0	0	1.8551729	2.236068	-0.06768	0.9475	0.0539	0.8164	9	0.040985
12	2.8452381	2.8	4	4	2.2170106	2.5884358	-0.03127	0.9757	0.1431	0.7052	9	0.018934
13	3.6666667	2.52	4	4	1.8618987	2.313439	-0.91272	0.3852	0.9402	0.3322	9	0.552677
14	4.5138889	0.9	4.541667	0	0.4667163	2.0124612	-4.306	0.0020**	5.0769	0.0242*	9	2.607412
15	0	1	0	0	0	2.236068	1	0.3739	1.2000	0.2733	9	-0.67082
16.1	2.9545864	2.9862069	2.986486	3	0.0780028	0.0308423	0.846776	0.4191	0.7154	0.3976	9	-0.51275
16.2	4	4.7742857	5	4.8	2	0.2339545	0.853115	0.4157	0.0396	0.8422	9	-0.51659
16.3	3	3	3	3	0	0	.	.	0.0000	1.0000	9	-
16.4	3	2.4	3	3	0	1.3416408	-1	0.3739	1.2000	0.2733	9	0.67082
16.5	2.2777778	3	2.833333	3	1.1816498	0	1.497124	0.1946	3.0331	0.0816	9	-0.82001
16.6	2.4861111	3	3	3	1.2183968	0	0.934504	0.3744	1.8333	0.1757	9	-0.56587
16.7	3.8060516	4.5923188	4.583333	4.5	1.8901639	0.1766375	0.918458	0.3823	0.0340	0.8538	9	-0.55615

Table 8.16: Statistical and practical significance results on industries: 2017 sustainability report (continued)

2017 sustainability report												
CCID item	Mean		Median		Standard deviation		Independent t-test		Wilcoxon/Kruskal-Wallis test		DF	Cohen's d
	Basic Materials	Financials	Basic Materials	Financials	Basic Materials	Financials	t-ratio	Prob > │t│	Chi square	Prob > chi square		
17	2.0555556	4.0809524	2	4.571429	1.9369698	1.1167149	2.059145	0.0696	3.1072	0.0779	9	-1.24687
18	1.4305556	1.7	1.291667	2.5	1.5744635	1.5652476	0.283355	0.7833	0.0386	0.8443	9	-0.17158
19	0.8333333	2.3333333	0	3	2.0412415	2.2484563	1.159821	0.2760	1.3609	0.2434	9	-0.70231
24	0.3333333	0	0	0	0.8164966	0	-0.90453	0.3893	0.8333	0.3613	9	0.547722
25	2.5	1.9666667	3	2	1.2247449	1.1925696	-0.72758	0.4854	2.5647	0.1093	9	0.440571

CCID items 20 to 23 were not included in the table, as the average score was 0 for both industries.
$^{*}p \leq 0.05$; $^{**}p \leq 0.01$

Table 8.16 indicates that there was a statistically significant difference between the Basic Materials and Financial industries' average quality of CCID item 14, *Provides percentage/monetary breakdown of annual CCI expenditure for each geographical area or business segment, as most appropriate,* in the 2017 sustainability report. The effect size was also deemed large for this item (2.607412), suggesting the practical significance of the disclosure differences. Similar to the integrated report for this item, on average, the Basic Materials industry provided a higher disclosure quality than the Financials industry. The practical significance of CCID items 16.5 and 17 was deemed large, but the differences were not statistically significant for those items. The distribution for CCID item 14 was normal.

Table 8.17 contains the statistical results of the average quality comparison between the CCID presented in the corporate webpages by the Basic Materials and Financials industry companies for the 2017 financial year.

Table 8.17: Statistical and practical significance results on industries: 2017 corporate webpages

2017 corporate webpages												
CCID item	Mean		Median		Standard deviation		Independent t-test		Wilcoxon/Kruskal-Wallis test		DF	Cohen's d
	Basic Materials	Financials	Basic Materials	Financials	Basic Materials	Financials	t-ratio	Prob > |t|	Chi square	Prob > chi square		
2	0.7	0	0	0	1.1595018	0	-1.90909	0.0886	3.3333	0.0679	18	0.853771
3.1	0	0.3	0	0	0	0.9486833	1	0.3434	1	0.3173	18	-0.44721
3.2	0.45	0.5333333	0	0	0.9559754	1.1352924	0.177555	0.8611	0.0117	0.9139	18	-0.07941
4	2.00778	2.17778	2.7888888	2.88888888	1.3942076	1.2151309	0.290679	0.7746	0.0784	0.7795	18	-0.13
5	1.3	1.5	1	2	1.4181365	1.3540064	0.322562	0.7507	0.0806	0.7765	18	-0.14425
6	0.2	0.8916667	0	0	0.6324555	1.5051609	1.339698	0.205	1.4169	0.2339	18	-0.59913
7	1.7265152	1.3225	2.1666666	1	1.2311037	1.420507	-0.67967	0.5054	0.1857	0.6665	18	0.303957
8	2.1583333	1.7875	2.5416666	2.9375	1.236314	1.5389052	-0.59406	0.5599	0.0393	0.8429	18	0.265672
9	0.9	1.4666667	0	0	1.9119507	2.3632996	0.589487	0.5629	0.3572	0.5501	18	-0.26363
10	0.9314286	0	0	0	1.2225545	0	-2.40925	0.0393*	4.6841	0.0304*	18	1.077448
11	0.5	0.8	0	0	1.5811388	1.7511901	0.40209	0.6924	0.3	0.5839	18	-0.17982
12	1.6	0.5	0	0	2.0655911	1.5811388	-1.33723	0.1989	1.69	0.1936	18	0.598026
13	0.8	0.5	0	0	1.3165612	1.5811388	-0.46108	0.6503	0.8461	0.3577	18	0.206203
14	0.2666667	0.2	0	0	0.843274	0.6324555	-0.2	0.8437	0.0053	0.9422	18	0.089443
15	0.6	0.3333333	0	0	0.9660918	1.0540926	-0.58977	0.5627	0.85	0.3566	18	0.263752
16.1	1.4785714	1.7511111	1.3928571	2.75555555	1.55986	1.5129908	0.3966	0.6963	0.0607	0.8053	18	-0.17736
16.2	2.5466667	1.9222222	2.9	1.27777777	2.3655553	2.0912319	-0.62541	0.5396	0.6977	0.4036	18	0.279692
16.3	1.4857143	2.0666667	1.4285714	2.97619047	1.5666594	1.4287831	0.866433	0.3977	0.4877	0.485	18	-0.38748
16.4	1.49	1.2	1.45	0	1.5708809	1.5491933	-0.41566	0.6826	0.0667	0.7963	18	0.185889
16.5	1.5	2.025	1.5	2..875	1.5811388	1.4065818	0.784503	0.4429	0.1758	0.675	18	-0.35084
16.6	1.16	0.9	0	0	1.5019987	1.4491377	-0.39394	0.6983	0.1	0.7518	18	0.176175
16.7	1.290989	2.0386111	0	1.875	2.1009577	2.1545819	0.785612	0.4423	0.4095	0.5222	18	-0.35134

Table 8.17: Statistical and practical significance results on industries: 2017 corporate webpages (continued)

2017 corporate webpages												
CCID item	Mean		Median		Standard deviation		Independent t-test		Wilcoxon/Kruskal-Wallis test		DF	Cohen's d
	Basic Materials	Financials	Basic Materials	Financials	Basic Materials	Financials	t-ratio	Prob > │t│	Chi square	Prob > chi square		
17	1.4775	0.8	1	0	1.7462838	1.3165612	-0.97964	0.3402	0.5908	0.4421	18	0.438108
18	0.4	0.4666667	0	0	0.843274	0.9962894	0.161515	0.8735	0.0118	0.9136	18	-0.07223
19	0.2	0	0	0	0.6324555	0	-1	0.3434	1	0.3173	18	0.447214
20	0.3	0	0	0	0.9486833	0	-1	0.3434	1	0.3173	18	0.447214
22	0.4	0.6666667	0	0	0.843274	1.0886621	0.612372	0.548	0.36	0.5485	18	-0.27386
25	0.7642857	1.0583333	0	1	1.231231	1.1208256	0.558479	0.5834	0.0457	0.8307	18	-0.24976
26	1.5	2.35	1.5	3	1.5811388	1.2483322	1.334274	0.1996	1.2019	0.2729	18	-0.59671
27	1.5	1.25	1.5	1	1.5811388	1.3408354	-0.38134	0.7075	0.6726	0.4122	18	0.170541
28	0.55	1.5	0	1.5	1.1654756	1.5811388	1.529409	0.145	2.5	0.1138	18	-0.68397
29	0.6	0.6	0	0	1.2649111	1.2649111	0	1	0	1	18	0

CCID items 1, 21, 23 and 24 were not included in the table, as the average score was 0 for both industries.
$^{*}p \leq 0.05$; $^{**}p \leq 0.01$

Table 8.17 indicates that there was a statistically significant difference between the Basic Materials and Financial industries average quality of CCID item 10, *Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group* on the corporate webpages. The effect size was also deemed large for this item, suggesting the practical significance of the disclosure differences. On average, for this disclosure item, the Basic Materials industry indicated a higher disclosure quality than the Financials industry. The practical significance of CCID item 2 was considered large, but the differences were not statistically significant for those items. CCID item 10 was normally distributed.

Table 8.18 contains the statistical results of the average quality comparison between the CCID presented in the integrated report by the Basic Materials and Financials industry companies for the 2016 financial year.

Table 8.18: Statistical and practical significance results on industries: 2016 integrated report

2016 integrated report												
CCID item	Mean		Median		Standard deviation		Independent t-test		Wilcoxon/Kruskal-Wallis test		DF	Cohen's d
	Basic Materials	Financials	Basic Materials	Financials	Basic Materials	Financials	t-ratio	Prob > |t|	Chi square	Prob > chi square		
1	1.6333333	1.34	2.416667	2	1.4246507	1.1927559	-0.49924	0.6237	0.9694	0.3248	18	0.223266
2	0.2	0.8833333	0	0	0.6324555	1.4488182	1.36692	0.1961	1.5463	0.2137	18	-0.61131
3.1	1.6666667	1.2	2.333333	0	1.4656562	1.5491933	-0.69197	0.4978	0.2531	0.6149	18	0.30946
3.2	0.4	0	0	0	0.843274	0	-1.5	0.1679	2.1111	0.1462	18	0.67082
4	1.6	1.325	2.25	1	1.4102797	1.4242444	-0.43387	0.6695	0.1940	0.6596	18	0.194034
5	0.9	1.6333333	0	2.333333	1.4491377	1.428977	1.139456	0.2694	0.7794	0.3773	18	-0.50958
6	2.6883333	1.7412698	2.733333	2.761905	0.3320392	1.5018451	-1.94711	0.0805	0.4286	0.5127	18	0.870775
7	0.8	0.75	0	0	1.3165612	1.2304019	-0.08774	0.9310	0.0087	0.9255	18	0.03924
8	1.4	1.0666667	1	0	1.5055453	1.4036988	-0.51209	0.6148	0.3980	0.5281	18	0.229014
9	1.75	1.8	1.25	0	1.9614337	2.394438	0.051083	0.9598	0.0017	0.9668	18	-0.02284
10	2.5517655	1.22	2.825792	1	0.9102666	1.3314987	-2.61107	0.0190*	4.1566	0.0415*	18	1.167705
11	0	0.3	0	0	0	0.9486833	1	0.3434	1.0000	0.3173	18	-0.44721
12	4.0666667	2.7166667	4.416667	4.083333	1.4786547	2.3583971	-1.53365	0.1458	1.1683	0.2797	18	0.685869
13	0.4	0.35	0	0	1.2649111	1.1067972	-0.09407	0.9261	0.0053	0.9422	18	0.04207
16.1	2.2441176	2	2.947861	3	1.2246794	1.4142136	-0.41264	0.6847	0.0814	0.7754	18	0.18454
16.2	3.475	1.95	5	0	2.3992186	2.5215736	-1.38553	0.1828	2.0150	0.1557	18	0.619627
16.3	1.475	1.4916667	1.375	1.458333	1.5565721	1.572551	0.02382	0.9813	0.0018	0.9666	18	-0.01065
16.4	1.8	1.175	3	0	1.5491933	1.5186343	-0.91105	0.3743	1.2291	0.2676	18	0.407434
16.5	1.5	1.1928571	1.5	0	1.5811388	1.54011	-0.44004	0.6651	0.4167	0.5186	18	0.196791
16.6	1.48	0.6	1.4	0	1.5611961	1.2649111	-1.38495	0.1837	1.6000	0.2059	18	0.61937
16.7	3.1369231	2.3294505	4.55	1.961538	2.2577693	2.4735286	-0.76245	0.4557	0.3459	0.5565	18	0.340978

Table 8.18: Statistical and practical significance results on industries: 2016 integrated report (continued)

2016 integrated report												
CCID item	Mean		Median		Standard deviation		Independent t-test		Wilcoxon/Kruskal-Wallis test		DF	Cohen's d
	Basic Materials	Financials	Basic Materials	Financials	Basic Materials	Financials	t-ratio	Prob > │t│	Chi square	Prob > chi square		
17	0.9	1.3444444	0	0	1.4491377	1.8793879	0.592219	0.5611	0.3359	0.5622	18	-0.26485
18	0	0.25	0	0	0	0.7905694	1	0.3434	1.0000	0.3173	18	-0.44721
19	0.9	0.575	0	0	1.66333	1.2250283	-0.49751	0.6249	0.1581	0.6909	18	0.222494
20	0	0.2	0	0	0	0.6324555	1	0.3434	1.0000	0.3173	18	-0.44721
22	0	0.5	0	0	0	1.0801234	1.46385	0.1773	2.1053	0.1468	18	-0.65465
24	0.3	0.3	0	0	0.9486833	0.9486833	0	1.0000	0.0000	1.0000	18	0
25	0.3	1.3166667	0	1	0.9486833	1.4151953	1.886999	0.0778	2.9863	0.0840	18	-0.84389

CCID items 14, 15, 21 and 23 were not included in the table, as the average score was 0 for both industries.

*p ≤ 0.05; ** p ≤ 0.01

Table 8.18 indicates that there was a statistically significant difference between the Basic Materials and Financial industries' average quality of CCID item 10, *Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group,* in the 2016 integrated report. The effect size was also deemed large for this item, suggesting the practical significance of the disclosure differences. On average, for this disclosure item, the Basic Materials industry indicated a higher disclosure quality than the Financials industry. The practical significance of CCID items 16 and 25 was considered large, but the differences were not statistically significant for those items. CCID item 10 was normally distributed.

Table 8.19 contains the statistical results of the average quality comparison between the CCID presented in the sustainability report by the Basic Materials and Financials industry companies for the 2016 financial year.

Table 8.19: Statistical and practical significance results on industries: 2016 sustainability report

2016 sustainability report												
CCID item	Average disclosure quality - mean		Average disclosure quality - median		Average disclosure quality - standard deviation		Independent t-test		Wilcoxon/Kruskal-Wallis test		DF	Cohen's d
	Basic Materials	Financials	Basic Materials	Financials	Basic Materials	Financials	t-ratio	Prob > |t|	Chi square	Prob > chi square		
1	0.5714286	0.5714286	0	0	0.9759001	0.9759001	0	1.0000	0.0000	1.0000	11	0
2	1.2777778	1	1.25	0	1.4010578	1.2909944	-0.37201	0.7170	0.2185	0.6402	11	0.206197
3.1	1.2083333	0.7142857	1	0	1.3639709	1.2535663	-0.68052	0.5102	0.5411	0.4620	11	0.377155
3.2	0.25	0.5714286	0	0	0.6123724	0.9759001	0.695558	0.5011	0.4596	0.4978	11	-0.39455
4	2.4791667	1.6142857	3	2.5	1.2155674	1.5192417	-1.11883	0.2871	2.1017	0.1471	11	0.628635
5	2.3333333	1.2207792	2.75	0	1.1690452	1.5300994	-1.45144	0.1746	1.1269	0.2884	11	0.817097
6	2.7534722	1.4502165	2.84375	2	0.2814942	1.3843189	-2.43283	0.0474*	3.7817	0.0518	11	1.304699
7	0.7222222	1.0952381	0	0	1.1238162	1.3972763	0.523708	0.6109	0.3262	0.5679	11	-0.29419
8	1.8472222	1.6241758	2.541667	2.6	1.451452	1.5255059	-0.26865	0.7932	0.0222	0.8814	11	0.149802
9	3.7222222	3.3028571	3.5	4.12	1.1238162	2.2953701	-0.40594	0.6926	0.0490	0.8248	11	0.232057
10	2.7154684	1.3571429	2.911111	2	0.4028195	1.3138457	-2.59664	0.0344*	3.5666	0.0590	11	1.397866
11	0.3333333	1.1428571	0	0	0.8164966	2.035401	0.965535	0.3621	0.4573	0.4989	11	-0.52203
12	2.35	2.3571429	2.25	4	2.5797287	2.2119804	0.005381	0.9958	0.3668	0.5447	11	-0.00297
13	1.3333333	0.5714286	0	0	2.0655911	1.5118579	-0.76722	0.4591	0.6095	0.4350	11	0.420936
14	3.0194444	0.7142857	4.225	0	2.3570324	1.8898224	-1.95902	0.0759	2.4030	0.1211	11	1.079074
15	0	1.1428571	0	0	0	2.035401	1.485563	0.1879	1.8571	0.1730	11	-0.79407
16.1	2.9541239	2.556391	2.963333	3	0.0482195	1.1279449	-0.85753	0.4094	0.6030	0.4374	11	0.498221
16.2	3.7559524	3.3428571	4.375	4.4	1.8879879	2.3143445	-0.34841	0.7341	0.0483	0.8260	11	0.195599
16.3	2.8611111	2.5714286	3	3	0.2215267	1.1338934	-0.6121	0.5529	0.3360	0.5622	11	0.354594
16.4	3	1.6753247	3	2.727273	0	1.5700864	-2.23221	0.0671	4.4571	0.0348*	11	1.193166
16.5	2.5	2.5714286	3	3	1.2247449	1.1338934	0.109168	0.9150	0.0130	0.9093	11	-0.06052

Table 8.19: Statistical and practical significance results on industries: 2016 sustainability report (continued)

2016 sustainability report												
CCID item	**Average disclosure quality - mean**		**Average disclosure quality - median**		**Average disclosure quality - standard deviation**		**Independent t-test**		**Wilcoxon/Kruskal-Wallis test**		**DF**	**Cohen's d**
	Basic Materials	**Financials**	**Basic Materials**	**Financials**	**Basic Materials**	**Financials**	**t-ratio**	**Prob > │t│**	**Chi square**	**Prob > chi square**		
16.6	3	1.6785714	3	2.75	0	1.5726456	-2.22311	0.0679	4.4571	0.0348*	11	1.188305
16.7	4.3248737	4.8228243	4.472727	5	0.417976	0.3048256	2.481481	0.0305*	5.3873	0.0203*	11	-1.36126
17	1.0833333	1.5833333	0	0	1.6857244	2.0121161	0.480384	0.6404	0.3262	0.5679	11	-0.26938
18	0.4761905	0.7142857	0	0	1.1664237	1.2535663	0.352309	0.7313	0.2333	0.6291	11	-0.19665
19	0.625	0.3857143	0.375	0	0.8023403	1.0205041	-0.46361	0.6520	1.0960	0.2951	11	0.260681
20	0.5	0	0	0	1.2247449	0	-1	0.3632	1.1667	0.2801	11	0.57735
22	0	0.5714286	0	0	0	0.9759001	1.549193	0.1723	1.8701	0.1715	11	-0.82808
23	0	0.4285714	0	0	0	1.1338934	1	0.3559	0.8571	0.3545	11	-0.53452
24	0.5	0.4285714	0	0	1.2247449	1.1338934	-0.10917	0.9150	0.0130	0.9093	11	0.060523
25	2.5	1.5612245	3	2	1.2247449	1.5008096	-1.22082	0.2477	2.7483	0.0974	11	0.685363

CCID item 21 were not included in the table, as the average score was 0 for both industries.

*p ≤ 0.05; ** p ≤ 0.01

Table 8.19 indicates that in the 2016 sustainability report, there was a statistically significant difference between the Basic Materials and Financial industries' average disclosure quality for CCID items 6, 10, 16.4 and 16.7. The effect size was also deemed large for these items, suggesting the practical significance of the disclosure differences. For all these statistically significant items, the Basic Materials industry provided a higher average disclosure quality than the Financials industry, except for CCID item 16.7 where the Financials industry obtained a higher score. The practical significance of CCID items 5, 14, 16.6 and 22 was deemed large, but the differences were not statistically significant for those items.

CCID items 6, 10, 16.6 and 16.7 were normally distributed, while CCID item 16.4 was not. However, the chi square test was statistically significant for this disclosure item. The t-test for disclosure item 16.6 was not statistically significant for this normally distributed item, thus limiting its statistical significance.

Table 8.20 contains the statistical results of the average quality comparison between the CCID presented in the integrated report by the Basic Materials and Financials industry companies for the 2015 financial year.

Table 8.20: Statistical and practical significance results on industries: 2015 integrated report

2015 integrated report												
CCID item	**Average disclosure quality - mean**		**Average disclosure quality - median**		**Average disclosure quality - standard deviation**		**Independent t-test**		**Wilcoxon/Kruskal-Wallis test**		**DF**	**Cohen's d**
	Basic Materials	**Financials**	**Basic Materials**	**Financials**	**Basic Materials**	**Financials**	**t-ratio**	**Prob > |t|**	**Chi square**	**Prob > chi square**		
1	0.7166667	1.3	0	1	1.1654756	1.3984118	1.013323	0.3243	1.0543	0.3045	18	-0.45317
2	0.3	0.5	0	0	0.9486833	1.0801234	0.439941	0.6652	0.3000	0.5839	18	-0.19675
3.1	2.1416667	1.9	2.708333	2.5	1.1928607	1.3703203	-0.42064	0.6790	0.0064	0.9360	18	0.188117
3.2	0.38	0.6	0	0	0.9065196	1.2649111	0.447049	0.6602	0.0468	0.8287	18	-0.19993
4	2.05	1.0944444	3	0	1.4230249	1.4238922	-1.50105	0.1507	2.8390	0.0920	18	0.671291
5	0.975	1	0	0	1.3766404	1.3123346	0.041567	0.9673	0.0293	0.8642	18	-0.01859
6	2.2292857	1.7125	2.660714	2.4375	1.1902307	1.5092884	-0.85021	0.4064	0.0377	0.8460	18	0.380226
7	0.2	0.9	0	0	0.6324555	1.197219	1.634848	0.1249	2.4025	0.1211	18	-0.73113
8	0.3	1.2	0	1	0.9486833	1.3006409	1.767881	0.0956	2.8206	0.0931	18	-0.79062
9	2.1242424	2.6	2.666667	3.5	1.9607645	2.3190036	0.495409	0.6263	0.5586	0.4548	18	-0.22155
10	2.7444451	1.2	2.803571	1	0.3154405	1.3006409	-3.64925	0.0044**	7.4536	0.0063**	18	1.631996
11	0	0.8	0	0	0	1.7511901	1.44463	0.1825	2.1053	0.1468	18	-0.64606
12	4.0916667	3.66	4.583333	4.5	1.4971423	1.96367	-0.55281	0.5872	0.1215	0.7274	18	0.247224
13	0	0.4333333	0	0	0	1.3703203	1	0.3434	1.0000	0.3173	18	-0.44721
14	2.4071429	0.4	2.071429	0	2.5497432	1.2649111	-2.22999	0.0437*	4.4173	0.0356*	18	0.997284
16.1	1.4633333	2.4	1.333333	3	1.5455592	1.2649111	1.483087	0.1553	3.8144	0.0508	18	-0.66326
16.2	1.4857143	2.3885714	0	2.142857	2.3925432	2.5270671	0.820429	0.4227	0.5362	0.4640	18	-0.36691
16.3	1.19	2.4	0	3	1.5365546	1.2649111	1.922573	0.0705	4.2667	0.0389*	18	-0.8598
16.4	1.5	2.1125	1.5	3	1.5811388	1.4582738	0.900486	0.3798	1.1574	0.2820	18	-0.40271
16.5	1.2	2.18	0	3	1.5491933	1.5389751	1.419181	0.1729	1.5688	0.2104	18	-0.63468
16.6	1.5875	1.45	1.4375	1.25	1.7017658	1.5356866	-0.18969	0.8517	0.0428	0.8360	18	0.084832
16.7	1.6259091	3.4133367	0	4	2.1595433	1.8956466	1.967046	0.0648	3.2344	0.0721	18	-0.87969
17	1	0.925	0	0	1.6329932	1.5547865	-0.10519	0.9174	0.0022	0.9628	18	0.047041
18	0.75	0.4727273	0	0	1.2304019	1.0112317	-0.55054	0.5887	0.2990	0.5845	18	0.24621

Table 8.20: Statistical and practical significance results on industries: 2015 integrated report (continued)

2015 integrated report												
CCID item	Average disclosure quality - mean		Average disclosure quality - median		Average disclosure quality - standard deviation		Independent t-test		Wilcoxon/Kruskal-Wallis test		DF	Cohen's d
	Basic Materials	Financials	Basic Materials	Financials	Basic Materials	Financials	t-ratio	Prob > │t│	Chi square	Prob > chi square		
19	1.625	0.7066667	0	0	2.2275111	1.1487836	-1.15869	0.2667	0.6379	0.4245	18	0.518183
20	0.2	0.2	0	0	0.6324555	0.6324555	0	1.0000	0.0000	1.0000	18	0
23	0.2	0	0	0	0.6324555	0	-1	0.3434	1.0000	0.3173	18	0.447214
24	0	0.3	0	0	0	0.9486833	1	0.3434	1.0000	0.3173	18	-0.44721
25	0.8	0.9	0	0	1.3165612	1.4491377	0.161515	0.8735	0.0200	0.8875	18	-0.07223

CCID items 15, 21 and 22 were not included in the table, as the average score was 0 for both industries.
*$p \leq 0.05$; ** $p \leq 0.01$

Table 8.20 indicates that in the 2015 integrated report, there was a statistically significant difference between the Basic Materials and Financial industries' average disclosure quality of CCID item 10, *Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group,* and CCID item 14, *Provides percentage/monetary breakdown of annual CCI expenditure for each geographical area or business segment, as most appropriate*. The effect size was also deemed large for these items, suggesting the practical significance of the disclosure differences. For both these items, the Basic Materials industry provided a higher average disclosure quality than the Financials industry. CCID item 10 was not normally distributed (skewness of -1.582085), but both the t-test and the chi square test were statistically significant for this item.

The practical significance of CCID items 16.3 and 16.7 was deemed large, but the differences were not regarded as statistically significant for these items. The data distribution for CCID item 16.3 was inconclusive, as the one data set was normally distributed and the other not.

Table 8.21 contains the statistical results of the average quality comparison between the CCID presented in the sustainability report by the Basic Materials and Financials industry companies for the 2015 financial year.

Table 8.21: Statistical and practical significance results on industries: 2015 sustainability report

2015 sustainability report												
CCID item	Average disclosure quality - mean		Average disclosure quality - median		Average disclosure quality - standard deviation		Independent t-test		Wilcoxon/Kruskal-Wallis test		DF	Cohen's d
	Basic Materials	Financials	Basic Materials	Financials	Basic Materials	Financials	t-ratio	Prob > |t|	Chi square	Prob > chi square		
1	0.525	0.2857143	0	0	1.1739357	0.7559289	-0.43218	0.6748	0.1403	0.7080	10	0.253059
2	2.1633333	0.6190476	2.666667	0	1.2433378	1.0615951	-2.31799	0.0429*	4.3274	0.0375*	10	1.357278
3.1	1.56	0.4285714	2	0	1.472413	1.1338934	-1.50949	0.1621	1.8388	0.1751	10	0.883867
4	2.2555556	1.2380952	2.777778	0	1.2775362	1.5481684	-1.20168	0.2572	0.8913	0.3451	10	0.703635
5	2.7590909	1.2698413	2.75	0	0.2392309	1.5842033	-2.44839	0.0475*	1.1981	0.2737	10	1.204494
6	2.8556005	2.7777778	2.842105	3	0.1458083	1.2813958	-0.13333	0.8966	2.1712	0.1406	10	0.078069
7	1.6333333	1.5238095	2.166667	2	1.5293426	1.4638501	-0.1255	0.9026	0.0663	0.7968	10	0.073487
8	2.1916667	1.6581633	2.625	2.75	1.2400997	1.5534492	-0.63434	0.5401	0.0000	1.0000	10	0.371434
9	3.8	3.0378788	3	3.75	1.0954451	2.1492955	-0.72179	0.4870	0.0070	0.9335	10	0.422639
10	2.8706061	1.4285714	2.916667	2	0.1544845	1.3972763	-2.70743	0.0341*	2.5120	0.1130	10	1.326953
11	1.5	1.1428571	0	0	2.0615528	2.035401	-0.29813	0.7717	0.1494	0.6991	10	0.174565
12	3.91	4.0333333	4.8	4.5	2.1887211	1.8033919	0.107104	0.9168	0.1139	0.7358	10	-0.06271
13	4.5333333	2.3809524	4.666667	4	0.505525	2.2396145	-2.45659	0.0445*	4.1776	0.0410*	10	1.220161
14	4.6	0	4.666667	0	0.4346135	0	-23.6668	<.0001**	10.0873	0.0015**	10	16.73496
16.1	2.9431328	2.9982788	2.956522	3	0.0680306	0.0045538	1.809676	0.1441	3.3700	0.0664	10	-1.27739
16.2	4.5666667	4.9421245	4.8	5	0.4384315	0.0873786	1.888293	0.1282	3.1500	0.0759	10	-1.31541
16.3	2.95	3	3	3	0.1118034	0	1	0.3739	1.4000	0.2367	10	-0.70711
16.4	3	2.5625	3	3	0	1.1301963	-0.85348	0.4134	1.5584	0.2119	10	0.499745
16.5	1.8	2.8630252	3	3	1.6431677	0.2168431	1.43768	0.2222	0.2059	0.6500	10	-1.00979
16.6	2.9691892	1.7142857	3	3	0.0452087	1.6035675	-2.06933	0.0839	0.4088	0.5226	10	1.010026
16.7	4.3501399	4.5988985	4.25	4.6	0.4242024	0.3599824	1.097906	0.2980	1.1301	0.2878	10	-0.64287
17	1.64	1.9047619	0	2.333333	2.3340951	1.9599158	0.213534	0.8352	0.0076	0.9307	10	-0.12503
18	2.2307692	0.7380952	3	0	1.3290117	1.2614554	-1.97783	0.0761	3.6507	0.0560	10	1.158097
19	3.6866667	0.5714286	3.6	0	0.9757049	1.5118579	-4.0192	0.0024**	6.3435	0.0118*	10	2.353401

Table 8.21: Statistical and practical significance results on industries: 2015 sustainability report (continued)

2015 sustainability report												
CCID item	**Average disclosure quality - mean**		**Average disclosure quality - median**		**Average disclosure quality - standard deviation**		**Independent t-test**		**Wilcoxon/Kruskal-Wallis test**		**DF**	**Cohen's d**
	Basic Materials	**Financials**	**Basic Materials**	**Financials**	**Basic Materials**	**Financials**	**t-ratio**	**Prob > |t|**	**Chi square**	**Prob > chi square**		
20	0.6	0.4285714	0	0	1.3416408	1.1338934	-0.23973	0.8154	0.0629	0.8020	10	0.140373
22	0	0.5714286	0	0	0	0.9759001	1.549193	0.1723	1.5714	0.2100	10	-0.75593
24	0.6	0.4285714	0	0	1.3416408	1.1338934	-0.23973	0.8154	0.0629	0.8020	10	0.140373
25	1.0666667	1.6392857	0	2.6	1.4794894	1.5392001	0.645246	0.5333	0.4886	0.4845	10	-0.37782

CCID items 3.2,15, 21 and 23 were not included in the table, as the average score was 0 for both industries.
*$p \leq 0.05$; ** $p \leq 0.01$

Table 8.21 indicates that in the 2015 sustainability reports, there was a statistically significant difference between the Basic Materials and Financial industries' average disclosure quality of CCID items 2, 5, 10, 13, 14 and 19. In all these differences, the Basic Materials industry had a higher average disclosure score than the Financials industry. The effect size was also deemed large for these items, suggesting the practical significance of the disclosure differences. All the distributions were normal, except for CCID item 2. However, both the t-test and the chi square test were statistically significant for this disclosure item. The practical significance of CCID items 3.1, 16.5 and 16.6 was considered large, but the differences were not deemed statistically significant for these items.

Table 8.22 presents a summary of the statistically significant differences identified between the Basic Materials and Financials industries (see tables 8.15 to 8.21).

Table 8.22: Summary of significant CCID differences between the Basic Materials and Financials industries

Reporting medium and financial period	CCID item	Average disclosure quality - mean	
		Basic Materials	Financials
2017 integrated report (table 8.15)	CCID item 10	2.90932	1.075
	CCID item 14	2.6472222	0
2017 sustainability report (table 8.16)	CCID item 14	4.5138889	0.9
2017 corporate webpage (table 8.17)	CCID item 10	0.9314286	0
2016 integrated report (table 8.18)	CCID item 10	2.5517655	1.22
2016 sustainability report (table 8.19)	CCID item 6	2.7534722	1.4502165
	CCID item 10	2.7154684	1.3571429
	CCID item 14	3.0194444	0.7142857
	CCID item 16.4	3	1.6753247
	CCID item 16.7	4.3248737	4.8228243
2015 integrated report (table 8.20)	CCID item 10	2.7444451	1.2
	CCID item 14	2.4071429	0.4
2015 sustainability report (table 8.21)	CCID item 2	2.1633333	0.6190476
	CCID item 5	2.7590909	1.2698413
	CCID item 10	2.8706061	1.4285714
	CCID item 13	4.5333333	2.3809524
	CCID item 14	4.6	0
	CCID item 19	3.6866667	0.5714286

Regarding the overall results presented in table 8.22, for the majority of the CCID items, there were no statistically significant differences between the Basic Materials and Financials industries. Of the statistically significant differences, the 2015 financial year had more statistically significant items than the 2017 financial year. The statistically significant differences for the integrated report related mainly to CCID item 10, *Identifies community stakeholder groups and provides details of the nature of* *communication and engagement with each community stakeholder group,* and CCID item 14, *Provides percentage/monetary breakdown of annual CCI expenditure for each geographical area or business segment,* of which companies in the Basic Materials industry presented disclosures of a higher average quality than companies in the Financials industry. These items were statistically different in the 2015 and 2017 financials years, while in the 2016 financial year, only CCID item 10 was statistically significant.

The statistically significant differences for the sustainability report varied over the sampling period and each year had unique differences. For the majority of these items, companies in the Basic Materials industry presented disclosures of a higher average quality compared to the companies in the Financials industry. The identified differences indicate how the focus of CCID in the sustainability reports is continuously changing, and depicts the current inconsistent nature of CCID presented by the sample of JSE-listed organisations.

CCID item 10 was the only one that was statistically significant over the reporting period and in all the corporate reporting mediums. The effect of the mining charter regulations on stakeholder relations is a possible reason for the prominence of this disclosure item (see chapter 3).

The next section provides a summary and conclusion of the application of the CCID framework. This concludes the discussion of the content analysis results in research stage 3.

8.4 SUMMARY AND CONCLUSION

This chapter dealt with with the findings and results of research stage 3 of the study. The CCID framework, which was developed during research stages 1 and 2 (see chapters 6 and 7), was applied to a sample of JSE-listed entities. A sample of 116 corporate reports (60 integrated reports [IR], 36 sustainability or equivalent reports [SR] and 20 corporate webpages [CW]), from 20 JSE-listed companies for the three-year period from 2015 to 2017, was analysed.

A deductive content analysis approach was adopted for the analysis. The final CCID framework and coding decision rules were used to ensure the reliable coding of CCID of the sample of JSE-listed entities (section 8.2). The content analysis of the CCID application findings indicated the findings on the integrated report, sustainability report and corporate webpages, separately and comparatively. To elaborate on the results, a comparison was made between the disclosures in the integrated and sustainability reports, as well as an industry analysis. The analysis provided quantitative and qualitative information.

In both the integrated and sustainability reports, general category 2, *CCI strategy,* and general category 4, *CCI projects,* were the best-performing categories during the sample period. The performance of these categories was largely dependent upon specific CCID items, including CCID 10, *Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group,* and CCID 16, *An inventory of all major CCI projects.* General category 8, *Evidence of CCI*, was one of the best-performing categories disclosed in the sustainability report and on the corporate webpage.

General category 1, *CCI within the organisation,* was poorly disclosed in all the corporate reporting mediums throughout the reporting period. The only exception here was CCID item 3.1, *A specific board committee with explicit oversight and responsibility for CCI activities and disclosures,* which was disclosed by 75% of the companies in the sample, with an average disclosure score of 0.7 in the 2015 integrated report. General category 3, *Annual CCI expenditure,* was also poorly disclosed throughout the reporting period. The performance of this category mostly revolved around CCID item 12, *Provides total annual CCI expenditure figure for the financial year (with comparative figures),* which was the highest-scoring item and was consistent with the CCI expert “best practice”.

In the integrated report, sustainability report and corporate webpage of the sample of companies analysed, there were limited disclosures on general category 5, *Relevant regulatory measures,* general category 6, *CCI benefits/business value creation*, general category 7, *Assurance of CCI reporting*, and non-disclosures on these items were more prominent than disclosures.

On average, 53% of the CCID items presented in the integrated reports of the sample of companies analysed were under-disclosed in relation to the CCI expert “best practice”. Of the intermediate important items, 13% presented CCID of a low quality (see figure 8.1). On average, 41% of the CCID items presented in the sustainability reports of the sample of companies analysed were under-disclosed in relation to the CCI expert “best practice”. Of the intermediate important items, 9% presented CCID of a low quality (see figure 8.2). On average, 56% of the CCID items presented in the corporate webpages of the sample of companies analysed were under-disclosed in relation to the CCI expert “best practice”. Of the intermediate important items, 14% presented CCID of a low quality (see figure 8.4).

The CCID presented on the corporate webpages of the sample of entities were, on average, of a lower disclosure quality than those in the integrated and sustainability reports. It also came to light that for seven out of the 20 companies, outdated CCID information was presented, indicating that the CCID information on corporate webpages was not timeously reviewed and updated. This contradicted the fact that the CCI experts regarded the corporate webpage as an important disclosure medium for CCID (see section 7.3.1).

No specific increasing or decreasing trend was identified over the reporting period. The 2016 financial year showed a marginal decrease in terms of quality and quantity in comparison with the 2015 and 2017 financial years. The increase of CCID in the sustainability report from the 2016 to the 2017 financial year, could be attributed to the local pressures and regulatory initiatives having an effect on the extent of CCID.

The results of this research stage indicated that the sustainability report contained the greatest extent of CCID by sentence count, but the integrated and sustainability report disclosed similar CCID items according to the application of the CCID framework (see section 8.3.4). Over the three-year period (2015 to 2017), the majority of the CCID items, which allowed for a comparison between the integrated and sustainability report, were neither statistically nor practically significant. However, some CCID items were statistically different in each year. For the majority of these items, on average, the sustainability reports were of a higher quality than the items in the integrated report. However, these differences varied in each financial year. The differences were in CCID item 16, which related to the organisation’s major CCI project disclosures. In every year, CCID item 16 disclosed in the sustainability report was, on average, of a higher quality than that item in the integrated report.

For the majority of CCID items, there were no statistically significant differences between the CCID of the Basic Materials and Financials industries in the integrated reports, sustainability reports or corporate webpages of the sample of companies analysed (see section 8.3.5). However, for the identified statistically significant differences, the companies in the Basic Materials industry presented disclosures of a higher average quality than those in the Financials industry. CCID item 10, *Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group,* was the only CCID item that was statistically significant over the reporting period. The effect of the mining charter regulations on the stakeholder relations is a possible reason for the prominence of this disclosure item.

The statistically significant differences of the sustainability reports varied over the sampling period, and each year had unique differences. The differences identified indicate how the focus of CCID in the sustainability reports is continuously changing, which reflects the current inconsistent nature of the CCID presented by the sample of companies analysed.

The results indicated that, on average, 55%[61] of the CCID of the sample of JSE-listed entities that were analysed underperformed according to the established CCI expert "best practice" (sections 8.3.1 to 8.3.3). This supports the gap identified in the literature, namely that the preparation of reports that disclose accurate and complete information on CCID to stakeholders is left to the discretion of corporate managers (see section 1.4 in chapter 1). The findings of this chapter measured the current nature, extent and quality of CCID through a sample of JSE-listed entities. It furthermore provided insights into how the CCI information needs of stakeholders are

[61] Following the results in sections 8.3.1 to 8.3.3, 58 CCID items in the integrated reports, 45 items in the sustainability reports and 22 items on the corporate webpages were considered to be under-disclosed over the reporting period. CCID items were considered to be under-disclosed when an essential or very important item obtained an average disclosure score of less than 0.5 and an intermediate important item obtained an average disclosure score of less than 0.3 (see figures 8.1 and 8.2). Accordingly, these items presented 55% of the sample analysed (55% = (58 + 45 + 22)/(96 + 96 + 36)).

currently being met or not met (see tables 8.2 to 8.10). The specific findings provide insight into the current reporting limitations relating to CCI reporting in South Africa.

Chapter 9 concludes the discussion of the results of the study by focusing on the overall findings of the study.

CHAPTER 9

OVERALL FINDINGS AND DISCUSSION

9.1 INTRODUCTION

The overall findings of the study are discussed in this chapter. The purpose is to explain how the research objective of this study, namely to develop a disclosure framework to guide CCI reporting in South Africa was achieved. Applying a mixed-methods research approach, three research stages were followed in order to best answer the research questions of the study. During the first research stage, an initial CCID framework was developed, the purpose of which was to gain an understanding of the current state of best practice CCI reporting in South Africa. During the second research stage, the initial CCID framework was refined in order to construct the final CCID framework by including the opinions of CCI experts. In research stage 3, the final CCID framework was applied to a sample of JSE-listed entities in the Basic Materials and Financials industries. The application of the CCID framework determined the nature, extent and quality of CCI reporting, and thus indicated how the CCID in a sample of companies in the Basic Materials and Financials industries scored in relation to the CCI expert "best practice".

The chapter is structured as follows. Section 9.2 contains a schematic overview of the development of the CCID framework. The overview of the development of the CCID framework indicates how the development extended previous literature and made a methodological contribution to the literature. The findings as aligned with the research questions of the study are then discussed. In section 9.3, the current state of best practice CCI reporting in South Africa is outlined, which relates to the findings of research stage 1, the development of an initial CCID framework. Thereafter the stakeholder requirements relating to CCID are explained. The stakeholder requirements were identified by conducting interviews with CCI experts primarily on the basis of the initial CCID framework (research stage 2). The initial CCID framework was refined by including the opinions of CCI experts in order to meet stakeholder requirements (section 9.4). In section 9.5, the findings pertaining to the application of the CCID framework are highlighted in conjunction with the CCI expert "best practice".

In this section, the current nature, extent and quality of CCID in the sample of companies selected in the Basic Materials and Financials industries are explained. Section 9.6 deals with the CCI reporting limitations based on the CCI experts "best practice" disclosure framework, as well as the findings of the application of the CCID framework. Section 9.7 presents the overall findings and discussion relative to the theoretical perspectives of the study. Section 9.8 concludes the chapter.

9.2 AN OVERVIEW OF THE CCID FRAMEWORK

Figure 9.1 provides a schematic overview of the development of the CCID framework and the application thereof. The figure depicts how the findings of each research stage, as discussed in chapters 6 to 8, followed one another sequentially and how the findings answered the research questions in this study.

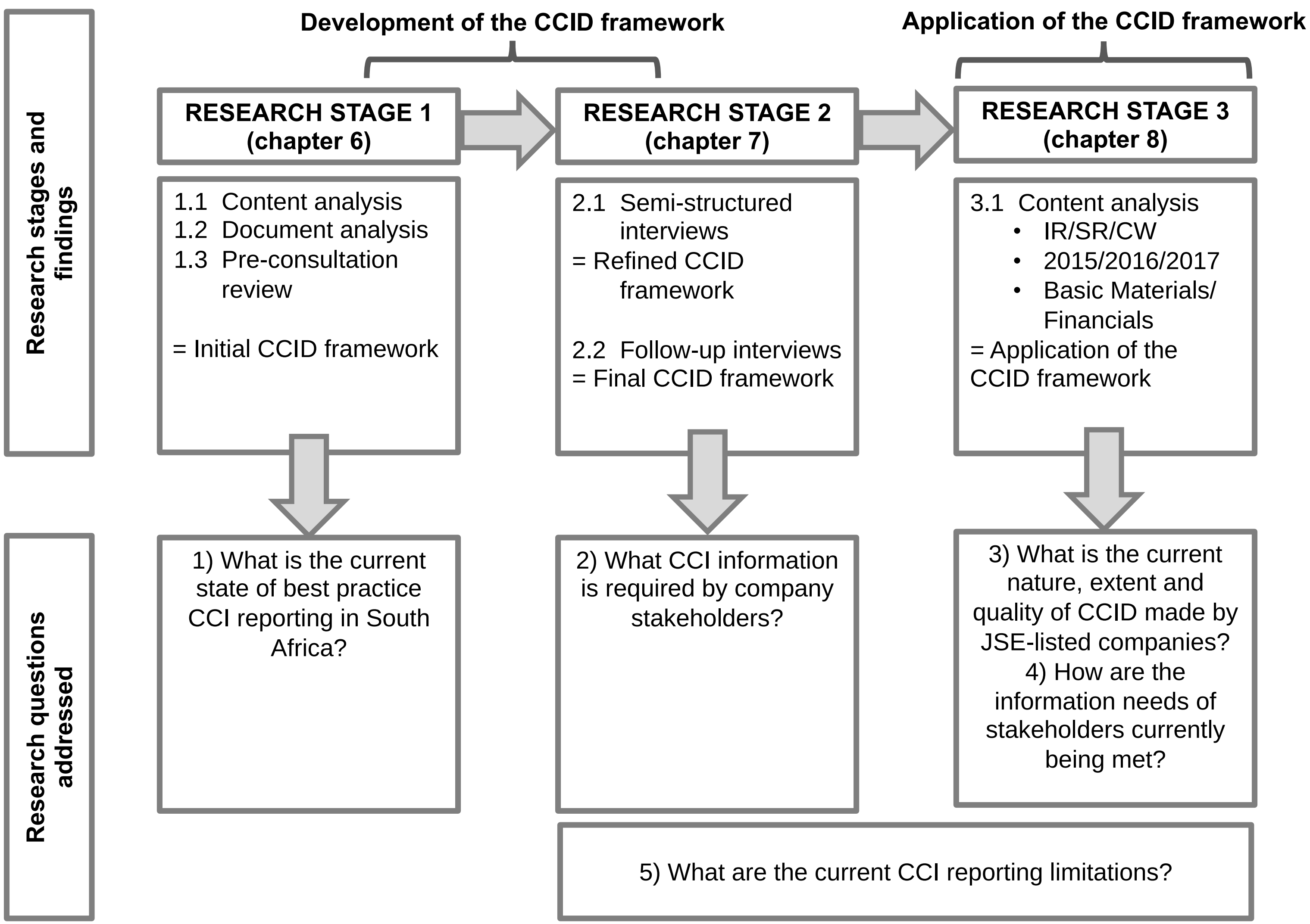


Figure 9.1: Overview of the development and application of the CCID framework

The CCID framework was constructed by, firstly, developing an initial CCID framework, and secondly, refining it on the basis of CCI experts' opinions (research stages 1 and 2). The developed CCID framework was validated with follow-up interviews and applied to a sample of JSE-listed entities. The development of the CCID framework involved several steps including the following: research preparation, data collection and analysis, and the interpretation of the results. These steps were included in each of the three research stages of the study. The findings on the development of the CCID framework extended previous studies such as those of Adams et al. (2016), Arli and Cadeaux (2014), Beattie et al. (2004), Campbell and Abdul Rahman (2010), Campbell et al. (2006), Coy and Dixon (2004), Deegan and Shelly (2014), Fig (2005), Guthrie and Abeysekara (2006), King (2012), Maubane et al. (2014), Setia et al. (2015), Skinner and Mersham (2008), Van der Ahee and Schulschenk (2013) and Yekini and Jallow (2012). The three research stages complemented one another, resulting in robust interpretations of the completion of each stage (Creswell, 2014:225).

Coy and Dixon's (2004) construction of a disclosure index model was adopted to develop the CCID framework. The initial CCID framework was developed by following three steps, namely content analysis, document analysis and a pre-consultation process (see figure 9.1, research stage 1). A template analysis approach (King, 2012) was adopted to inductively and deductively analyse the CCID content of top-performing CSR reporters. The inclusion of different reporting mediums and methods in the analysis of social and environmental accounting extends the work of Guthrie and Abeysekara (2006). According to Campbell and Abdul Rahman (2010), a disclosure index constructed on the basis of an appropriate content analysis scoring system is able to accurately capture the meaning of information. The documents that were analysed, included regulatory, voluntary and available reporting guidance relating to CCI reporting. The document analysis corroborated the content analysis results, which improved the credibility (trustworthiness) of the findings (Bowen, 2009:30). The initial CCID framework was pretested by means of a consultation process with a panel of academics, similar to the approach of Md Zaini (2017). The pretesting of the initial CCID framework enhanced the reliability and validity (content and construct) of the initial reporting framework included in the interview guide.

The initial CCID framework was refined by conducting semi-structured interviews with CCI experts (see figure 9.1, research stage 2). The selection of the CCI experts was based not only on their knowledge of the topic and experience in the field, but also on their interest in the study (Dinius & Rogow, 1998; Kaynak & Macauley, 1984). Interviews were conducted with CCI experts to elicit their opinions on the importance of the disclosure items listed in the CCID framework. Based on their opinions and suggestions, a best practice CCID framework was designed.

The final CCID framework was applied to a sample of corporate reports from JSE-listed entities over a three-year period (see figure 9.1, research stage 3). The application of the CCID framework was similar to that of previous voluntary disclosure studies such as those of An (2012), Md Zaini (2017), Samkin et al. (2014) and Schneider and Samkin (2008). This study specifically extended the CCID literature by using a more sophisticated quality measure than previous studies (Adams et al., 2016; Campbell et al., 2006; Yekini et al., 2015; Yekini & Jallow, 2012). The results of the application formed a measure of "the intensity of concern" relating to each reporting category (Weber, 1990:39).

To ensure the trustworthiness of the developed CCID framework, more than one data source and approach were adopted to verify the reliability and validity of the findings (triangulation, see Fusch and Ness, 2015; Saunders et al., 2009; Yin, 2003), because data triangulation is directly linked to data saturation (Fusch & Ness, 2015:1411). The developed CCID framework addressed the problem statement of this study and accordingly achieved the research objectives, which makes a contribution to the existing literature and practice (see chapter 10). The sections below discuss the findings as presented in chapters 6 to 8 in accordance with each of the research questions of the study.

9.3 THE CURRENT STATE OF BEST PRACTICE CCI REPORTING IN SOUTH AFRICA

The initial CCID framework reflects the current state of best practice CCI reporting in South Africa because it includes CCID items from the top-performing CSR reporters, together with the recommended reporting guidance on CCI (see figure 9.1, research stage 1). Accordingly, this initial framework as presented in section 6.6 of chapter 6 formed the basis of the CCID framework and provided a set of best practice guidelines for CCI reporting by South African companies. This initial CCID framework consisted of 31 specific disclosure items categorised under nine general categories. The specific disclosure items contained disclosure indicators where applicable, which further explained and enhanced the specific CCID items.

Figure 9.2 depicts the development of the initial CCID framework by following the three steps as set out in figure 9.1, research stage 1. In step 1, the adopted template analysis (King, 2012) approach applied as part of the content analysis of top-performing CSR reporters, yielded a list of 30 specific CCID items grouped into nine general categories. In step 2, the document analysis (Bowen, 2009) yielded a list of 28 CCID items of which four specific items were added to the initial CCID framework. The items were added because they were not addressed in step 1, the content analysis. Twenty-one items agreed with the CCID items from the content analysis – hence inclusion was not required. However, in some instances, these items provided further guidance on specific disclosure items and were thus included as disclosure indicators, supporting and enhancing the specific disclosure items. Three disclosure items were not included because they failed to meet the predetermined inclusion criteria. In step 3, the pre-consultation process by the panel of academics agreed with the amendment of three specific CCID items. The general reporting categories were not amended during any of the three steps. This process resulted in a total list of 31 specific disclosure items under nine general categories.

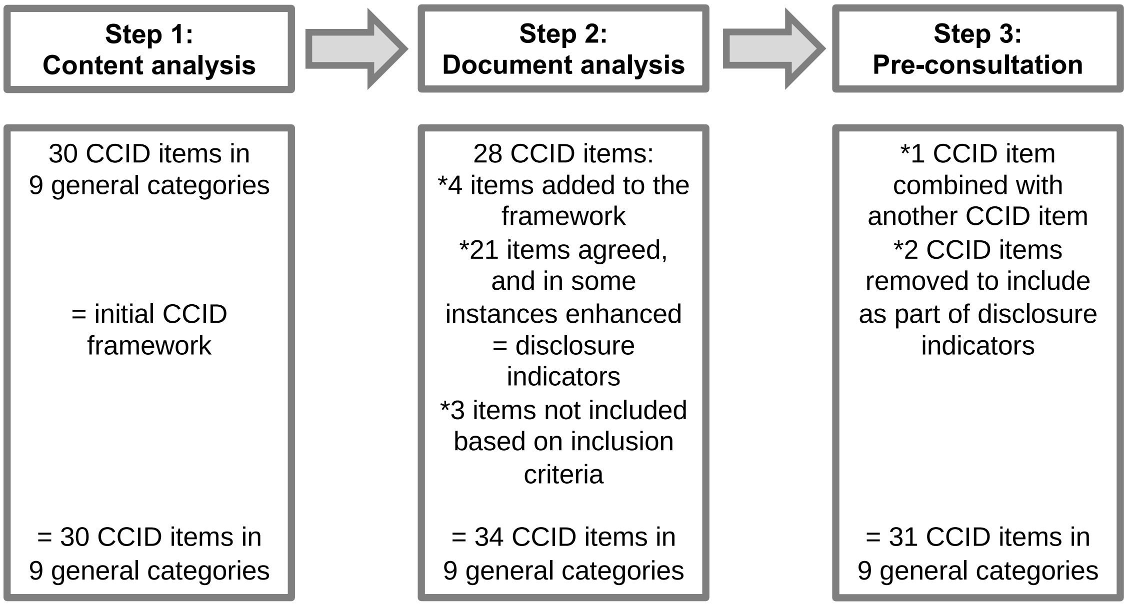


Figure 9.2: The initial CCID framework development: Steps 1 to 3

The initial insights obtained from the content analysis (see step 1 in figure 9.1) of the top-performing CSR reporters relate to the specific CCI terminology applied by JSE-listed entities, the CCID differences between the various corporate reporting mediums and the impact of the organisation's business activities on the communities in which they operate. More than half of the organisations in the sample of research stage 1 adopted the term "corporate social investment" ("CSI"), which emphasises the use of the specific term in the South African context. Other terms such as "community and/or social investment" and "CSR" were also applied. These initial insights gained from the first research stage are aligned with those of Fig (2005), Hinson and Ndhlovu (2011) and Skinner and Mersham (2008), who stated that South African firms generally prefer the notion of CSI, although the notion of CSR is also used in response to international trends and global attitudes (Baskin, 2006). This is similar to the opinion of Freeman and Hasnaoui (2011) and Newson and Deegan (2002), who argued that social disclosures follow the social, cultural and political environment of a country.

Of the initial sample, the sustainability report contained 47% of the CCID, the corporate webpage 35% and the integrated report 18%. This finding agrees to a certain extent with Branco and Rodrigues (2008:699), who found that the companies' corporate webpages contained more CCID in comparison with their annual reports. However, the nature of CCID presented on the corporate webpages had minimal quantitative disclosures (e.g. disclosures on annual and specific CCI projects). Furthermore, half of the companies' CCID on the corporate webpages did not reflect their CCI activities during the current or previous year. Inconsistent disclosures were identified on the corporate webpages of two companies included in the analysis. This would suggest that although the corporate webpages contained more CCID in comparison with the integrated report, the accuracy and relevance thereof could not be confirmed.

The sustainability report, unlike the integrated report, included CCID with more detail relating to CCI project descriptions (partnerships, donations, sponsorships, employee time and knowledge), together with more photographic disclosures. These initial insights suggested that the sustainability report could be regarded as an important disclosure medium for CCID, which is possibly aligned with the findings of Campbell et al. (2003) and Unerman (2000), who questioned the use of the annual report as the only source for CSR content analysis. The suggested prominence and use of the sustainabiity report for CCID are aligned with studies focusing specifically on stand-alone CSR reports such as those of Cho et al. (2012), Dingwerth and Eichinger (2010), Diouf and Boiral (2017) and Hahn and Kühnen (2013).

The content analysis (see step 1 in figure 9.2) revealed that some organisations implement sustainable and innovative business practices to meet customer demands, while the disclosure focus is on community impact. The majority of these disclosure items were not considered because they failed to satisfy the definition of CCI according to the decision rules adopted. Close interaction between business and CCI might suggest (in line with Maas and Liket's 2010 view), that corporate philanthropy is shifting from an altruistic to a strategic approach, or aligning to the shared-value concept as suggested by Porter and Kramer (2011).

The document analysis (see step 2 in figure 9.2) revealed that the available CCI reporting guidance was mostly "practitioner driven" (from local CSI consultants), while limited CCI reporting guidance is available from the international voluntary reporting guidance of the GRI, CECP, ISO standards and the PSI. The ISO standards and PSI are mostly concerned with the operational efficacy of CCI, than with the reporting thereof. The document analysis mainly contributed to the development of the initial CCID framework through the inclusion of disclosure indicators in the initial CCID framework. To ensure the reliability and accuracy of the developed initial CCID framework and the interview guide used, the framework was tested by means of a pre-consultation process with academics (see step 3 in figure 9.2).

The outcome of research stage 1, the initial CCID framework as presented in section 6.6 of chapter 6, should make a contribution to the literature because this initial framework can be refined by different stakeholder groups in different settings. Hence the first research stage answered the research question – What is the current state of best practice CCI reporting in South Africa?

Following the understanding of current CCI best practice reporting trends and guidance, which assisted with the construction of the initial CCID framework, the next section deals with the CCI information required by company stakeholders.

9.4 CCID REQUIRED BY STAKEHOLDERS

The outcomes of the semi-structured interviews identified the CCI information required by company stakeholders (see research stage 2 in figure 9.1). To this end, the initial CCID framework was discussed with CCI experts, and their opinions were incorporated in the framework. As part of the interviews, the CCI experts scored each item and identified how important and relevant each item is for CCI reporting, in relation to the respective disclosure categories and purposes. Based on interviewee consensus, additional CCID items were incorporated in the CCID framework. Semi-structured interviews were conducted to enrich, update and validate the CCID framework.

On average, none of the CCID items were deemed to be items that should be removed from the initial CCID framework. Hence none of the disclosure items were removed. Four additional CCID items were added to the CCID framework, based on interviewee consensus (tables 7.6 and 7.7). The grouping and categorisation of additional CCID items were confirmed with the CCI experts prior to inclusion. This was done to ensure that accurate and valid interpretations were made and that the interviewees agreed with the subsequent categorisation of their suggestions. Interviewees were able to comment on the CCID items throughout the interview. Amendments were made on the basis of interviewee consensus. These included minor changes such as word changes and the recategorisation of disclosure indicators, as well as the fragmentation of one disclosure item into two disclosure items (table 7.5).

The results indicated that all types of presentation formats, with the exception of photographs, are essential to include as part of external reporting of CCID (table 7.12). Both narrative (qualitative) and quantitative disclosures were regarded as the two most important types of disclosure presentations. These presentation formats complement each other and qualitative and quantitative CCID cannot be presented in isolation. The CCI experts were of the opinion that photographs are of intermediate importance only. Comments made by interviewees suggested that the most appropriate disclosure medium for actual CCI evidence, such as photographs, was the corporate webpages of JSE-listed entities. In summary, the interviewee comments concurred with the views of scholars such as Beattie et al. (2004), who confirmed that images are helpful when analysing and understanding annual report information. However, the transparency thereof (e.g. caption information or photo credit) should be considered to ensure that the photographs are truthful (Norton, 2012). Without this level of transparency, social dislcosures run the risk of being seen as superficial or doubtful (Caron & Turcotte, 2009; Norton, 2012) (see section 7.3.3).

In the semi-structured and follow-up interviews, the CCI experts agreed that the integrated report is the most important disclosure medium for CCID. However, the sustainability and corporate webpage of JSE-listed entities were also deemed vital disclosure mediums for CCID (see tables 7.3 and 7.4, and section 7.3.4). This finding supports previous CCID studies such as those of Adams et al. (2016), Campbell et al. (2006), Yekini et al. (2017), Yekini et al. (2015) and Yekini and Jallow (2012), which reported the use of only the integrated or annual reports for their CCID analysis. Adams et al. (2016) suggested that integrated reporting offers significant potential for social investment disclosures. The prominence of CCID in the integrated report is important for corporate managers responsible for the preparation of CCID at JSE-listed organisations because the cost and benefits relating to reporting should be evaluated.

The majority of the CCI experts posited that CCI reporting should be standardised or benchmarked (table 7.9). The follow-up interviews confirmed that the CCID framework was an appropriate measure to guide CCI reporting in South Africa (section 7.3.4).

This finding ties in with the finding of a number of social reporting studies recommending the development of a benchmarking system to accurately measure social disclosure outcomes (Adams, 2004; Hossain et al., 2015; Van der Ahee & Schulschenk, 2013). A number of interviewees suggested that without JSE regulation, which enforces CCI reporting, companies will not report on CCI (section 7.3.4). This ties in with the findings of Belal et al. (2013) and Setia et al. (2015), who asserted that regulation is more effective than voluntary disclosure systems to improve non-financial reporting. Belal et al. (2013) argued that although social and environmental accounting has the potential to hold organisations in emerging countries accountable for their actions, voluntary corporate disclosure practices are unlikely to because of these countries' fragile governance and legal structures.

Of the CCI experts, 47% were of the opinion that CCI should be legislated because legislation provides guidance, which enforces and regulates the organisation's responsibility towards the community. This is aligned with the suggestions made by Hinson and Ndhlovu (2011) and Stirling et al. (2016). Others, however, suggested limited regulation levels, but with incentives encouraging further CCI investments. The anti-legislation arguments pertained to the fact that CCI is viewed in isolation, which leads to less integration with business, and results in CCI with a smaller social impact. The reasoning here is similar to that of the Australian business community, opposing CSR legislation (Deegan & Shelly, 2014).

The majority of interviewees confirmed that the developed CCID framework was credible, easy to understand and adequate to meet stakeholder requirements (table 7.8). The refined CCID framework was validated with follow-up interviews to ensure that the framework accurately reflected what it intended to reflect. According to Saunders et al. (2009), validity relates to the capacity of the instrument to assess what it proposes to assess. Creswell (2014) postulated that validity is obtained when the accuracy of the research findings is confirmed. The final CCID framework, which reflects the stakeholder requirements relating to CCI, was presented in table 7.13 in section 7.4.

The next section focuses on the findings of the application of the CCID framework and answers the research questions relating to the current nature, extent and quality of CCID, and accordingly how stakeholder expectations are met (see figure 9.1).

9.5 THE CURRENT NATURE, EXTENT AND QUALITY OF CCID AND HOW STAKEHOLDER EXPECTATIONS ARE MET

To determine the current nature, extent and quality of CCID in South Africa, the CCID framework was applied to a sample of 116 corporate reports of 20 JSE-listed entities over a three-year period (2015 to 2017). The findings of the application of the developed CCID framework were discussed in chapter 8 (see research stage 3 in figure 9.1). This section, firstly, discusses the CCID presented in the different corporate reporting mediums investigated. Secondly, the CCID framework application findings during the longitudinal period, 2015 to 2017 are explained. Thirdly, the application of the framework in the Basic Materials and Financials industries is highlighted.

As part of the pilot review, two coders performed the content analysis to ensure that the coding approach was reliable. During this process, the coders had to determine the relevance and quality of sentences on the basis of the coding decision rules and the CCID framework. To ensure the reliability and validity of the coding instruments and use of a reporting framework for the content analysis, a similar approach to that of An (2012), Md Zaini (2017), Samkin et al. (2014) and Schneider and Samkin (2008) was followed. This study specifically extends the CCID literature because of its use of a more sophisticated quality measure than that of Yekini et al. (2015) and Yekini and Jallow (2012).

As part of the pilot review, the inter-coder reliability was assessed to ensure the consistency of the coding decisions. The results yielded a final Krippendorff alpha of 0.8705 and 0.9852, for the integrated and sustainability reports, which exceeded the acceptable threshold of 0.8. Hence the coding approach adopted for the content analysis in research stage 3 was acceptable.

9.5.1 CCID corporate report comparisons

The CCID framework was applied to the integrated reports, sustainability reports and corporate webpages of the sample of companies selected. Sections 8.3.1 to 8.3.3 suggest that for the sample of companies, the integrated and sustainability report presented CCID of a similar nature, while the nature of CCID presented on the corporate webpages differed (also see Appendix L). Table 9.1 provides a summary of the extent of total disclosures made based on the sentence count (see Appendix L and sections 8.3.1 to 8.3.3).

Table 9.1: Summary of the research stage 3 CCID sentence count

Corporate report	Number of reports analysed	Frequency of total CCID items	Frequency of total CCID items for each reporting medium*
Integrated report: 2015 to 2017	60	3 023	50
Sustainability report: 2015 to 2017	36	4 323	120
Corporate webpage: 2017	20	1 237	62
Integrated report: 2017	20	1 039	52
Sustainability report: 2017	11	1 547	141

*Frequency of total CCID items for each report is calculated as follows: Frequency of total CCID items/Number of reports analysed, for example, 3 023/60 = 50.

Table 9.1 indicates that for the sample of companies analysed, the sustainability report contained the majority of CCID (see “frequency of total CCID items for each report” column), even though every company did not publish a sustainability or equivalent report. During the 2017 financial year, 40%[62] of CCID were presented in the sustainability report.

On average, the CCID in the sustainability reports were of higher quality compared to the CCID in the integrated reports and on the corporate webpages (table 8.11, section 8.3.4). A comparison of the quantitative results for the integrated and sustainability reports indicated that for a limited number of items, the sustainability reports presented CCID of statistically significant higher quality compared to the CCID presented in the integrated reports (section 8.3.4). The significant differences mainly revolved around CCID item 16, which provides a description of major CCI projects. However, the majority of differences between these reports were not statistically significant. One could argue that the reason for the presentation of higher-quality disclosures in the sustainability report is that this kind of report provides a setting for disclosing CCI in more detail compared to the integrated report, and thus increases the quality of CCI.

Table 9.1 furthermore indicates that there was a higher frequency of CCID in the corporate webpages compared with the integrated reports. Zeghal and Ahmed (1990)

[62] Sustainability report disclosures are calculated as a percentage of total disclosures as follows: 1 547/(1 237 +1 039 +1 547) = 40%.

argued that the choice of disclosure medium depends on the organisation's intended target audience. The CCI experts were of the opinion that the corporate webpage is an important disclosure medium for CCID (see table 7.4). This initial insight is aligned with Campbell et al.'s (2006) contention that community disclosures address a wide range of concerns, which are of interest to society as a whole, thus supporting the underpinnings of legitimacy theory (see section 4.4.2). Branco and Rodrigues (2008:699) postulated that corporate webpages are aimed at the general public, including the organisation's consumers. The prominence of using corporate webpages as a disclosure medium for CCID supports legitimacy theory principles, which explain that society directs the organisation's "social licence" to operate (Deegan, 2009:325). However, the disclosure of outdated CCID presented on the corporate webpages could suggest that South African organisations are overusing the internet in an attempt to present concise integrated reports (Lodhia & Stone, 2017).

The corporate webpages mostly included narrative information on CCI projects. This included qualitative descriptions of major CCI projects, as well as disclosures depicting the actual evidence of CCI activities such as photographs. Taken together it is possible that the CCID presented on the sample of companies' corporate webpages attempt to create an image of an organisation that is involved with CCI, in order to maintain its legitimate standing in society and to be regarded as socially responsible (similar to the work of Soobaroyen & Mahadeo, 2016, and Soobaroyen & Ntim, 2013).

The quality of CCID presented on the corporate webpages is of lower quality than that of the integrated and sustainability reports (see table 8.11). Although the corporate webpage is deemed an important disclosure medium for CCID, it is not considered to be as prominent as the integrated and sustainability reports (see section 7.3.1). However, the finding is significant for corporate managers (preparers) because the corporate webpage affords organisations an opportunity to improve their CCID. Corporate webpages could be utilised to present disclosures such as videos and/or additional spreadsheets to enhance an organisation's CCID, which are not necessarily included in the integrated or sustainability report.

Table 9.2 provides an overall summary of the CCID presented in the three corporate reporting mediums, over the sample period, and is based on the results in tables 8.5, 8.9 and 8.10 in chapter 8. The table indicates the main features and where possible the drivers of each general CCI category, according to the CCID framework. Table 9.2 presents the average disclosure score as calculated in sections 8.3.1 to 8.3.3. The specific CCID items were included in table 9.2 when the item had an average disclosure score of 0.7 or above in any of the financials years.

Table 9.2: Summary of CCID presented in the different corporate reporting mediums

General CCI categories	Integrated report (table 8.5)	Sustainability report (table 8.9)	Corporate webpage (table 8.10)
1. CCI within the organisations	Highest-scoring item: CCID item 3.1 (0.7;0.5;0.5)	All CCID items poorly disclosed, maximum score of 0.3	All CCID items poorly disclosed, maximum score of 0.2
2.CCI strategy	Highest-scoring item: CCID item 10 (0.7;0.7;0.7)	Highest-scoring items: CCID item 4 (0.6;0.7;0.5) CCID item 5 (0.7;0.6;0.7) CCID item 8 (0.7;0.6;0.5) CCID item 9 (0.7;0.7;0.6) CCID item 10 (0.7;0.7;0.7)	Highest-scoring items: CCID item 4 (0.7) CCID item 8 (0.7)
3.Annual CCI expenditure	Highest-scoring item: CCID item 12 (0.8;0.7;0.7)	Highest-scoring items: CCID item 12 (0.8;0.5;0.6) CCID item 13 (0.7;0.2;0.6) Lower score in 2016	All CCID items poorly disclosed, maximum score of 0.2
4.CCI projects	Highest-scoring item: CCID item 16.1 (0.7;0.7;0.7)	Highest-scoring items: CCID item 16.1 (1.0;0.9;1.0) CCID item 16.2 (1.0;0.7;0.9) CCID item 16.3 (1.0;0.9;1.0) CCID item 16.4 (0.9;0.8;0.9) CCID item 16.5 (0.8;0.8;0.9) CCID item 16.6 (0.8;0.8;0.9) CCID item 16.7 (0.9;0.9;0.9) Lower score in 2016	All CCID items poorly disclosed, except CCID items 16.1, 16.3 and 16.5 maximum score of 0.6
5.Relevant regulatory measures	All CCID items poorly disclosed, score of 0.0	All CCID items poorly disclosed, maximum score of 0.1	All CCID items poorly disclosed, score of 0.0
6.CCI benefits/business value creation	All CCID items poorly disclosed, maximum score of 0.1	All CCID items poorly disclosed, maximum score of 0.1	All CCID items poorly disclosed, score of 0.2
7.Assurance of CCI	All CCID items poorly disclosed, maximum score of 0.1	All CCID items poorly disclosed, score of 0.2	All CCID items poorly disclosed, score of 0.0
8.Evidence	All CCID items poorly disclosed, maximum score of 0.3	Highest-scoring item: CCID item 25 (0.5;0.7;0.8)	All CCID items poorly disclosed, score of 0.3

The summary of the research stage 3 results, as presented in table 9.2, indicates that for the sample of companies analysed, the CCID were not consistent among the different corporate reporting mediums analysed. In the integrated report, the general categories were driven by a specific CCID item. The sustainability report presented a number of CCID items with an average disclosure score of 0.7 or above. These were concentrated in general CCI categories 2, 4 and 8. On average, the general categories of the corporate webpages were poorly disclosed, except for CCID items 4 and 8 in general CCI category 2, *CCI strategy*.

General CCI category 4, *CCI projects*, had a number of high scoring items, which revolved mainly around CCID item 16, and the items relating to this in the sustainability report were of a significantly higher quality compared to the items in the integrated report (see section 8.3.4). Throughout the period, CCID item 17, *Provides details of project impact outcomes*, was under-disclosed according to the CCI expert "best practice", except for an increase in the 2017 sustainability report (see section 8.3.2.4). The under-dislcosure of this item is in line with previous research, which suggested that the lack of impact disclosures is associated with inconsistent measurement approaches (Adams et al., 2016; Arli & Cadeaux, 2014; Muthuri, 2007; Porter & Kramer, 2006).

Among the different corporate reporting mediums, the non-disclosure items and low disclosure levels of CCID were similar – see general CCI categories 5, 6 and 7. The non-disclosure of these items represented specific CCI reporting limitations on the sample of companies analysed. General category 5, *Relevant regulatory measures,* was deemed a "very important" disclosure category (see table 7.2 in section 7.3.1), but entities failed to disclose how their CCI contributions are aligned with the BEE requirements. This finding should also make a significant contribution to the BEE literature. As discussed as part of the interviews in research stage 2, the interviewees were concerned that if CCI practices are not adequately managed and monitored this could be a potential risk area for possible fraud. Accountable and transparent disclosures could assist in mitigating these associated risks.

Similarly, general category 7, CCID item 24, *An indication of whether the CCI information has been assured and the scope of external assurance provided*, was poorly disclosed by the different corporate reporting mediums. The majority of the CCI experts regarded the integrated report as the most appropriate reporting medium for this disclosure item (see table 7.3 in section 7.3.1). This finding is consistent with previous research conducted by Ackers (2016), who reported that only 37% of the largest JSE-listed companies provided independent assurance on their CSR disclosures, despite the fact that stakeholders require the information (see section 2.4). Ackers and Eccles (2015) argued that the voluntary nature of CSR reporting and assurance "impair[s] the ability of stakeholders to meaningfully assess the non-financial impacts of CSR activities, CSR reporting and assurance practices".

General category 8, CCID item 25, *Actuality of CCI* presented in the sustainability reports obtained the highest disclosure scores among the different corporate reporting mediums. The CCI experts regarded the corporate webpage as the most appropriate disclosure medium for this CCID item (see table 7.3). In the sample of companies analysed, the sustainability report had a disclosure of 82% for this category and the corporate webpage 40% (see the 2017 financial year in tables 8.9 and 8.10). The lower-quality score for this item on the corporate webpage relates to the fact that a few companies disclosed a high frequency of photographs, which were published without any supporting narrative or CCI specifications describing the photograph or providing the context of the CCID (see table 8.10 and Appendix L). This result was consistent with the previously identified concern relating to the timeliness and accuracy of the CCID presented on corporate webpages (see sections 8.3.3 and 9.4).

The integrated and sustainability reports contained CCID items of a similar nature (see Appendix L), which demonstrates the suitability of the integrated report as the primary reporting medium for CCID. This ties in with the proposition of Adams et al. (2016), who suggested that integrated reporting offers significant potential for social investment disclosures. The further statistical analysis of the CCID presented in the integrated and sustainability reports indicated that the majority of CCID were not statistically different. However, the limited significance related to CCID item 16 for which the disclosures in the sustainability report were of higher quality, compared to disclosures in the integrated report. This result was consistent with the CCI expert opinions, who regarded the sustainability report as a more appropriate disclosure medium than the integrated report for these CCID items (see table 7.3 and section 7.3.1).

Each year had unique differences, which indicates the voluntary, evolving and current inconsistent nature of the CCID presented by the sample of JSE-listed organisations (see section 8.3.4). Another view is that these inconsistent disclosures are the result of a lack of standardisation efforts, which hinders the quality of disclosures and the credibility of sustainability reporting (Dingwerth & Eichinger, 2010; Diouf & Boiral, 2017; Hahn & Kühnen, 2013).

In summary, on average, 55% of the CCID of the sample of JSE-listed entities were under-disclosed compared to the CCI expert "best practice" (see sections 8.3.1 to 8.3.3). This supports the identified gap in the literature, as the preparation of reports that disclose accurate and complete information on CCID to stakeholders is left to the discretion of corporate managers. The findings determined the current nature, extent and quality of CCID in a sample of JSE-listed entities. It furthermore provided insights into how the CCI information needs of stakeholders are currently being met or not met. The specific findings provide insight into the current reporting limitations in CCI reporting in South Africa.

9.5.2 CCID from 2015 to 2017

Following tables 8.5, 8.9 and 8.10 in chapter 8, the extent of CCID changed over the reporting periods analysed, but there was no specific increase or decrease for the reporting period 2015 to 2017. This is consistent with previous CCID research (Campbell et al., 2006), suggesting no specific trend for CCID. General categories 3 and 4, reported a lower average disclosure score during the 2016 financial year, which was mostly due to changes in the sustainability report (see table 8.11). A recent study found an increasing trend in social investment reporting from 2009 to 2013, which was not driven by IIRC or UN participation (Adams et al., 2016). Although the reasons for the fluctuation in CCID are not immediately obvious, a number of issues such as the development of integrated reporting principles and challenges experienced in integrated reporting during the post-implementation period might be a factor (see section 3.2.2.2 in chapter 3) (IIRC, 2017; Rinaldi et al., 2018; Setia et al., 2015).

The 2016 financial year presented CCID of a lower frequency and marginally lower quality compared to the 2015 and 2017 financial years (see section 8.3.4). The greatest CCID movement was the increase in CCID presented in the sustainability report from the 2016 to the 2017 financial year, during which there was an increase of 20% (sentences counted, see Appendix L). A combination of factors could be the reason for this fluctuation. As discussed in section 3.2 in chapter 3, King Code IV was released on 1 November 2016 and came into effect for the financial years starting on or after 1 April 2017, even though immediate adoption was encouraged (IODSA, 2016b). King Code IV has the same fundamentals, philosophy and content as King

Code III (IODSA, 2016b), but the role of the ethics and social committee was included in King Code IV. Another aim of King Code IV was to simplify and clarify the IIRF capitals (see section 3.2.2.2) (IODSA, 2016a).

Another regulatory initiative that occurred during this period was that the JSE required all JSE-listed entities to report and disclose on their BEE status to the BEE Commission from June 2016 onwards (JSE, 2017). KPMG (2010) suggested that prior to this regulatory requirement, most JSE-listed companies did have a BEE score. Although these regulatory initiatives were not deemed significant changes at the time, the added emphasis placed on socio-economic development and social value creation during this period might have resulted in the increase of CCID in terms of both quality and quantity from 2016 to 2017. A possible reason for the decrease that was prevalent from 2015 to 2016 might have been the anticipation preceding the release of King Code IV. As discussed in chapter 5, Trialogue (2018:28) suggested in a commercial report that CSI expenditure in South Africa remained constant during the 2015/6 and 2016/7 financial years, while the 2017/8 financial year experienced an increase of 2.5% in real terms. The total CSI expenditure in 2017/8 was estimated at R9.7 billion (Trialogue, 2018:28).

The effect of legislation on voluntary disclosures, such as CCID in South Africa, concurs with Soobaroyen and Mahadeo's (2016) contention that despite the belief that international guidance influences CSR reporting in developing countries, local pressures have an effect on CCID. Dawkins and Ngunjiri (2008), Hinson and Ndhlovu (2011) and Van der Ahee and Schulschenk (2013) likewise suggested that compliance with regulation is a primary driver for South African companies reporting on social matters (see section 3.3).

9.5.3 CCID of the Basic Materials and Financials industries

The findings pertaining to the two industries selected, namely Basic Materials and Financials, as part of the sample of companies, indicated that the Basic Materials industry presented CCID of a higher extent and quality in the integrated and sustainability reports of the sample of companies analysed (see section 8.3.5). This is aligned to the findings of Maubane et al. (2014). A possible reason might be the fact that the stakeholder composition of the Basic Materials industry is in many instances closely related to the geographical areas and communities in which their workforce resides. In many cases, the workforce in the Basic Materials industry represents semi-skilled labourers in contrast to the Financials industry where the majority of the workforce are skilled and belong to a higher Living Standards Measure (LSM) group (see section 5.4.1.4 in chapter 5). It is also possible that the Basic Materials industry places greater emphasis on its social licence to operate, in comparison with the Financials industry.

The integration and focus of CCID in the corporate reports of the Basic Materials industry are aligned with stakeholder theory, because, as Freeman (1984:31) posited, without the continued support of stakeholders, business would cease to exist (see section 4.3.1 in chapter 4). The pressure exerted by investors and community groups has a positive influence on an organisation's decision to focus on its CCI activities (Uyan-Atay, 2010:176), and to report on them. Previous literature has indicated that it is the organisation's responsibility to help improve the quality of life of the immediate groups where business is conducted, implicitly including the groups that could potentially be harmed by the business operations (Altman, 2000).

Of the general CCID statements made in the integrated report and sustainability report, 77% (202 sentences) related to the Basic Materials industry and a mere 23% (60 sentences) to the Financials industry, which is in line with the above argument (see section 8.3.5). The extent of general CCID statements contradicts the CCID research of Yekini and Jallow (2012), who suggested that the majority of CCID by companies in the UK relate to general statements. This underscores the importance of CCID in a South African context, and the differences between CSR reporting in various countries, and concurs with the work of Belal and Momin (2009), Belal and Owen (2007) and Hossain et al. (2015). In the corporate webpages the extent of CCID was equally distributed among both industries (see section 8.3.5). This is in contrast with previous research, which indicated that the mining sector of companies listed on the Buenos Aires Stock Exchange had significantly more CSR disclosures on the internet compared to other sectors (Alali & Romero, 2012). The difference emphasises the significance of country-specific considerations when CSR activities are examined, as considered and discussed in sections 5.4.1.1 and 9.3.

The results of the statistical analysis indicated that for CCID item 10, Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group, the Basic Materials industry disclosed this item on a higher average quality compared to the Financials industry's disclosure thereof. This statistical difference was identified in all the corporate reporting mediums and for all three the financials years included in the sample (see table 8.22). The prominence of this specific disclosure item is mostly due to the regulatory emphasis placed on it. The metals and mining charter in South Africa legislates stakeholder engagement and reporting initiatives. For example, the GRI and JSE-SRI index emphasise stakeholder engagement practices (see section 3.2.1; JSE, 2014; South Africa, 2017a). Accordingly, the extensive reporting on stakeholder engagement practices relating to CCID might demonstrate an organisation's attempt to maintain its legitimate standing with authorities and society. As part of the validation interviews of the CCID framework (section 7.3.4), one interviewee suggested the incorporation of the CCID framework in the organisation's stakeholder engagement framework or policy because this should generally improve the reporting of CCI (Interviewee K, Q3). Another view is that the extent and quality of disclosure relating to this specific disclosure item supports the theoretical underpinnings of stakeholder theory (see section 4.3; e.g. Gray et al., 2014; Greenwood, 2001; O'Dwyer, 2005).

As part of the comparison between the two industries, it was noted that the statistically significant differences between the sustainability reports varied over the sampling period and each year had unique differences (see table 8.22). The identified differences indicate how the focus of CCID in the sustainability reports are continuously changing and depict the current inconsistent nature of CCID presented by the sample of JSE-listed organisations.

The discussion of the application of the framework referred to the current nature, extent and quality of CCID, in accordance with the CCI expert "best practice" (see section 9.4). The CCID items that were under-disclosed provided insight into CCI reporting limitations, which are discussed in more detail in the next section. The findings pertaining to the CCI expert opinions, in conjunction with research stage 3, provided an answer to the identified CCI reporting limitations (see figure 9.1).

9.6 CCI REPORTING LIMITATIONS

The CCI reporting limitations were identified, firstly, through open-ended questions in the interviews conducted with CCI experts as part or research stage 2 (chapter 7). Secondly, specific CCI reporting limitations were identified in research stage 3, the application of the CCID framework. The application of the CCID framework allowed for a comparison between the reporting expectations of stakeholders on a sample of disclosures presented by JSE-listed entities in the Basic Materials and Financials industries (see section 9.5).

Based on the discussion with the CCI experts, the CCI reporting limitations identified could be grouped into two main reasons. The first reason stems from the view that CCI is not fully understood by the organisation, which results in CCI with a compliance or marketing focus. The second reason revolves around the suggested lack of guidance on CCI reporting. Table 9.3 provides a summary of the answers provided by the CCI experts during research stage 2 (table 7.10) and the subsequent grouping of their responses.

Table 9.3: Summary of CCI reporting limitations: Opinions of the CCI experts

CCI reporting limitations identified by the CCI experts (summary of table 7.10)			
CCI not fully understood		**Lack of CCI reporting guidance**	
Community needs are not addressed	3	CCI impact not measured	5
Compliance and marketing focus	8	Incomparable between companies	3
No partnership between company and NPO	2	No sufficient reporting standard/guidance for CCI	4
CCI not well managed operationally	2	Not transparent enough	2
Disjoint between CCI managers and reporters	2		
CCI not fully understood by the organisation	4		
Total[63]	21	Total	14

The interviews with CCI experts indicated that the most prominent reporting limitation is that CCI is too focused on compliance and marketing. This argument might stem from a possible lack of understanding or the fact that the leadership of the organisation is not concerned with CCI reporting (table 9.3). These limitations appear to agree with Stirling et al.'s (2016) contention that CSR in South Africa is a form of corporate

[63] Since some interviewees cited more than one reason, the total number of reasons exceeded 30. See also table 7.10.

greenwashing. Operational inefficiencies relating to CCI influence the reporting thereof and underscore the organisational lack of understanding or need for guidance. This suggests that although corporate philanthropy might be shifting from an altruistic to a strategic approach (Maas & Liket, 2010), it is not implemented strategically by South African organisations.

The follow-up interviews, which validated the CCID framework, revealed a number of apparent challenges. According to the proposed framework, common factors such as the time, resources and additional costs are required to report on CCI. This is linked to Arli and Cadeaux's (2014) view that CCI reporting challenges include a lack of interest, time and resource availability. These common reasons might be linked to the compliance and marketing stance taken on CCI.

Another major limitation was that the interviewees felt that there is a lack of standards or guidance for CCI reporting. Reasons such as the comparability and transparency challenges could be linked to the fact that there is inadequate reporting guidance. Despite the South African regulatory initiatives that require business organisations to account for and disclose their non-financial performance (IIRC, 2013b; IODSA, 2009, 2016b), the way in which reports are prepared that disclose accurate and complete information on CCID to decision makers and stakeholders is left to corporate managers' discretion.

The lack of comparability between companies is aligned with previous sustainability reporting studies (Boiral & Henri, 2017; Dingwerth & Eichinger, 2010; Diouf & Boiral, 2017), which indicated that sustainability reports that apply the GRI framework, are non-comparable and the information that is presented is inaccurate (Diouf & Boiral, 2017:658). Sikka (2010) and Sitkin (2013) suggested that incomplete CSR reporting creates a misleading picture of the organisation. A possible reason for this is the complexity of sustainability disclosures and the lack of standardisation (Boiral & Henri, 2017; Diouf & Boiral, 2017) (see sections 2.4 and 3.4). The follow-up interviews indicated that the proposed CCID framework provides a comprehensive reporting guideline and structure in order to present CCID in adequate detail (section 7.3.4).

Some of the CCI experts asserted that because of the sensitivity relating to CCID, it might prohibit corporate managers from preparing CCID according to the proposed framework. It is possible for stakeholder groups to use the reported information in a way that could affect the company adversely. Potential “dangerous” stakeholder groups include the local communities, trade unions, municipalities and political parties and even competitors that can misuse the disclosed information. These reasons are aligned with those of Mitchell et al. (1997) and Yekini et al. (2015), who argued that a dangerous stakeholder group (e.g. the local community) could easily become a definitive stakeholder group when their claim is regarded as legitimate. This ties in with the managerial branch of stakeholder theory, which acknowledges that some stakeholder groups are more powerful than others (Deegan, 2009; Mitchell et al., 1997; Pfeffer & Salancik, 1978).

9.7 FINDINGS RELATIVE TO THE THEORETICAL PERSPECTIVES

Following figure 9.1 which contailed the overview of the study, the findings were argued from two perspective, firstly, the development of the CCID framework, which represents the “best practice” for CCI reporting, and secondly, the application thereof to the sample of entities listed on the JSE-listed in the Basic Materials and Financials industries. The development of the CCID framework stems from the theoretical perspectives supporting an accountability notion from the ethical branch of stakeholder theory. Hossain et al. (2015:288) argued that CSR, and especially community development, stems from an organisation’s responsibility to the community (see sections 2.4 and 4.4.2). The accountability model assumes that organisations are responsible for CCI actions and can be held accountable for such actions. Previous CSR research supporting the notion of accountability includes that of Barnett (2007), Hossain et al. (2015), Meehan et al. (2006), Shen (2004) and Van der Voort et al. (2009). While the application of the CCID framework identifies stakeholder and legitimacy theory perspectives.

The ability of organisations to use the integrated report as the most appropriate reporting medium for CCID, together with the general lack thereof, suggests that the disclosures in the integrated report are prompted by local reporting factors (JSE listings requirements). This supports the managerial branch of stakeholder theory. According to the managerial or positive branch, the organisation should only consider the expectations of powerful stakeholders (Deegan, 2009; Pfeffer & Salancik, 1978).

Powerful stakeholders are those who control access to resources and can therefore influence the viability and success of the organisation (Deegan, 2009; Mitchell et al., 1997; Pfeffer & Salancik, 1978). King IV regards internal stakeholders (e.g. shareholders, management and employees) as material, while external stakeholders (e.g. civil society organisations) may be material, but not necessarily in all situations (IODSA, 2016b:17).

The majority of CCID are presented in the sustainability report, which could suggest that these organisations value all stakeholder groups, supporting the ethical branch of stakeholder theory. The counter-argument suggests that these reports are used as mechanisms to enhance the perceived accountability of the organisation. The nature and lack of CCID presented on the corporate webpages of the sample of entities analysed (both in research stages 1 and 3) indicates that the CCID on the corporate webpages are presented in such a way that organisations are deemed legitimate members of society. As postulated by Suchman (1995:574), legitimacy is "a generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions". Exchange legitimacy, as a subset of pragmatic legitimacy, means that an organisation is supported on the basis of the perceived value it provides to its constituents (Suchman, 1995). In this instance, the imprecise nature of CCID presented on the corporate webpages (perceived value) creates the belief that organisations are involved with CCI in order to benefit the communities and society involved.

Furthermore, the general under-disclosure of CCID according to the CCI expert "best practice", the neglect of CCID on the corporate webpages, together with the over-emphasis of the major specific CCI projects (CCID item 16), suggests that CCID are presented so that the organisation concerned can be regarded as legitimate and maintain its social licence to operate. The variances of CCID presented in the sustainability reports over the sampling period and between the industries, furthermore confirms the voluntary nature of CCID in the sustainability reports. The extent of differences between the Basic Materials and Financials industry further highlights the organisations' need to be regarded as a legitimate member of society and maintain their social licence to operate.

Legitimacy theory "focuses on whether the value system of an organisation is congruent with the value system of society, and whether the objective of organisations is to meet social expectations" (Chen & Roberts, 2010:652). The results of this study provide evidence of how voluntary disclosures, such as CCID are mainly driven by the need of the organisation to be regarded as legitimate.

9.8 SUMMARY AND CONCLUSION

This chapter discussed the overall findings of the study. The purpose was to illustrate how the research objective of this study, namely to develop a disclosure framework to guide CCI reporting in South Africa was achieved. The chapter also discussed how the findings of the three research stages, as presented in chapters 6 to 8, answered each of the research questions.

The current state of best practice CCI reporting in South Africa was presented through the development of the initial CCID framework. A template analysis approach was adopted to analyse the contents of the top-performing CSR reporters. The list of identified disclosure items was compared to the document analysis of available CCI reporting guidance to construct the initial CCID framework. During a pre-consultation process, the initial CCID framework was reviewed. These initial insights suggested that South African organisations generally adopt the term "CSI". At this stage, the use of the sustainability report for CCID seems prevalent, while the CCID on the corporate webpages appears to be neglected. The integrated reports of these top performers contained limited CCID. The initial insights to establish the current state of best practice CCI reporting extended the work of Fig (2005), Hinson and Ndhlovu (2011), King (2012), Maas and Liket (2010) and Skinner and Mersham (2008).

CCI experts expressed their opinions on the importance and most appropriate disclosure medium for all the CCID items according to the initial CCID framework (research stage 2). The CCI expert opinions were incorporated in the CCID framework and were subsequently validated through follow-up interviews. The final CCID framework was presented in section 7.4. The CCI experts regarded the integrated report as the most important disclosure medium for CCID. This finding supports previous CCID studies by Adams et al. (2016). Campbell et al. (2006), Yekini et al. (2017), Yekini et al. (2015) and Yekini and Jallow (2012). However, the sustainability reports and corporate webpages of JSE-listed entities were also deemed significant disclosure mediums for CCID. The opinions of the CCI experts provided answers to establish the CCID required by company stakeholders.

The interviews provided rich qualitative insights into CCI reporting in South Africa. The experts postulated that there is a need for guidance on CCI reporting at JSE-listed entities, and almost half of them intimated that CCI should be legislated because legislation provides guidance, which enforces and regulates the organisation's responsibility towards the community. These understandings extend the research of Deegan and Shelly (2014), Hinson and Ndhlovu (2011) and Stirling et al. (2016).

In the third research stage, the CCID framework was applied to a sample of JSE-listed entities to determine the extent and quality of CCI reporting. Accordingly, the CCID framework was used to compare the extent and quality of the reporting with the CCI expert "best practice". The findings of the corporate report comparison, together with the CCI expert opinions, indicated that the integrated report is and can be adopted as the main reporting medium for CCID. The corporate webpage was the poorest performing disclosure medium, while the integrated and sustainability reports presented CCID of similar nature, the quality and quantity marginally differed. The sustainability reports contained the greatest extent of CCID. Although the sustainability report disclosures varied over the reporting period, in limited instances it was considered to be of higher quality when compared to the integrated report. The CCID of the corporate webpages mainly focused on project-specific narratives and actual CCI evidence such as CCI photographs.

CCI reporting limitations were identified as part of the comparison to CCI expert "best practice", which generally suggested a lack of reporting on general category 1, *CCI within the organisation*, general category 5, *Relevant regulatory measures,* general category 6, *CCI benefits/business value creation*, and general category 7, *Assurance of CCI reporting*. The CCI experts cited a lack of understanding and the absence of reporting guidance as limitations for CCI reporting. CCI that is too focused on compliance and marketing also emerged as a reason that limits CCI reporting in South Africa.

By making use of the CCID framework for the content analysis, specific CCID items were analysed, which extend and contribute to the existing CCID literature. The overall results of the CCID framework application on a sample of South African entities highlighted the importance of local factors, which included regulatory initiatives such as the Mining Charter, King Code IV and the BEE regulation. This contradicts prior literature, which suggested that international pressures influence developing country CSR reporting (section 2.4). The results suggested that local factors influence CCI reporting in South Africa. This extends the work of Soobaroyen and Mahadeo (2016) and agrees with similar CSR research, such as that of Belal and Momin (2009), Belal and Owen (2007) and Hossain et al. (2015), thus highlighting the importance of country-specific considerations.

The overall findings of the study as discussed in this chapter provide a holistic perspective on CCI reporting in South Africa. The findings support the theoretical underpinnings of stakeholder and legitimacy theory. The summary of the findings draws all the threads in the study together, and the specific contribution to the literature and practice is dealt with in the concluding chapter.

CHAPTER 10

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

10.1 INTRODUCTION

In this, the final chapter, the study is briefly summarised, conclusions are drawn and recommendations are made. Section 10.2 provides an overview of the research background, research questions and approach adopted. It also outlines the problem statement and associated research objective and research questions. The three research stages are reiterated, indicating how the research objective was achieved and the research questions were answered. Section 10.3 presents the main research findings and the final CCID framework. In section 10.4, the potential contribution of the study is discussed, while in section 10.5 the implications for policy and practice are highighted. The limitations of this study (section 10.6) and suggestions for possible future research are discussed (section 10.7). Section 10.8 concludes the study.

10.2 RESEARCH BACKGROUND, QUESTIONS AND APPROACH

The research objective of this study was to develop a disclosure framework to guide CCI reporting in South Africa (section 1.5 in chapter 1). The South African history and backdrop provided a unique setting for CCID research (section 1.2 in chapter 1, and section 3.2 in chapter 3). A study of South Africa's past reveals noteworthy political and policy changes, such as the political reform in 1994. The establishment of the King Committee shifted corporate reporting from a shareholder to a stakeholder-inclusive focus. The introduction of the BEE Act in 2005 meant that previously disadvantaged individuals were to be included in the private sector (South Africa, 2004). During 2007, the codes of good practice accompanying the BEE Act were implemented (Ferreira & De Villiers, 2011; South Africa, 2007; Tangri & Southall, 2008). The codes provide guidance on BEE actions and specifically promote socio-economic development. Although there was corporate social spending in South Africa prior to 1994, CSI expenditure increased considerably from 2007 onwards (Trialogue, 2016:30). Despite the South African regulatory initiatives that require business organisations to account for and disclose their non-financial performance (IIRC, 2013b; IODSA, 2009, 2016b), the preparation of reports that disclose accurate and complete information on CSR to decision makers and stakeholders is left to the discretion of corporate managers (Ackers & Eccles, 2015; Horn et al., 2018).

The research on CSR, CCI and corporate philanthropy highlighted the gap identified in the CCID literature. Despite the extensive research on CSR (see chapter 2), scant attention has been paid to CCID (Soobaroyen & Mahadeo, 2016:452). The corporate philanthropy literature deals with a component of CCI, which narrows the definition of the concept (Lakin & Scheubel, 2010; Yekini, 2012). The motivation for this study was the dearth of literature on the disclosures of CCI activities, and the accountability assigned to organisations to provide quality disclosures to stakeholders (see chapters 2 and 4). As part of the ethical branch of stakeholder theory, Gray et al. (1996a) considered the stakeholder's right to information to be part of the "accountability" model (Deegan, 2009). Organisations are accountable to society to report on their corporate, social and environmental responsibility matters (Barnett, 2007; Hossain et al., 2015; Meehan et al., 2006; Shen, 2004; Van der Voort et al., 2009).

Fernandez-Feijoo et al. (2013:53) argued that organisations determine their level of transparency in terms of the pressure imposed by certain stakeholder groups. Arguably, the relationship between an organisation and its stakeholders depends on how accountable the organisation considers itself to be, or how accountable the organisation would like to be perceived. This study drew on both legitimacy and stakeholder theory principles, as legitimacy theory is based on the implied social contract between business and society – whereas stakeholder theory refers to the "contracts" between the organisation and various stakeholder groups (Clarkson, 1995; Hossain et al., 2015; Mahadeo et al., 2011).

CCID are a specific element of CSR (Bowen et al., 2010; Muthuri, 2007; Uyan-Atay, 2010; Yekini & Jallow, 2012), and CSR represents voluntary disclosures (Ackers & Eccles, 2015; Dhaliwal et al., 2011:60). Several studies on CSR reporting examine the disclosure of CSR as a whole (Cahan et al., 2016; De Klerk & De Villiers, 2012; De Villiers & Alexander, 2014; Dhaliwal et al., 2011), whereas other CSR reporting studies specifically discuss the CCI or CCID component as part of the CSR study (Baskin, 2006; Branco & Rodrigues, 2008; Cowen et al., 1987; Dawkins & Ngunjiri, 2008; Epstein & Freedman, 1994; Hossain et al., 2015; Patten, 1995). Specific CCID studies include those of Adams et al. (2016), Arli and Cadeaux (2014), Campbell et al. (2006), Soobaroyen and Mahadeo (2016), Yekini et al. (2017), Yekini et al. (2015) and Yekini and Jallow (2012). The CCID research predominately relates to developed countries, with the exception of Soobaroyen and Mahadeo's (2016) study, which was conducted in Mauritius.

Soobaroyen and Mahadeo (2016:452) suggested that CCID in developing countries are not only influenced by international standards, but also by local political, economic and social factors. To a certain extent this corresponds with the findings of Adams et al. (1998) and Newson and Deegan (2002:203), who suggested that a company's social disclosures follow the social, cultural and political environment relating to the country of origin, which influences the societal expectation levels and what society regards as legitimate. Belal and Owen (2007) concluded that there are striking differences between CSR consciousness in developed and developing countries. However, there are contradictory views on the state of CSR reporting in comparisons of developing and developed countries in certain studies (Baskin, 2006; De Villiers & Alexander, 2014; Visser, 2008; Visser et al., 2007).

It was found that the majority of CCID comprise general statements of somewhat poor quality (Yekini & Jallow, 2012:20). Diouf and Boiral (2017:653) concluded that many sustainability reports are neither balanced nor complete, and tend to highlight the successes and diminish the flaws. Research indicates that there is a need for a set policy, reporting benchmarks or industry standards for social disclosures (Adams, 2004:752; Hossain et al., 2015:287; Van der Ahee & Schulschenk, 2013:17).

Despite the regulatory requirements of the King Codes and the IIRF, there is currently no framework or reporting model for CCID in South Africa (IIRC, 2013b; IODSA, 2009, 2016b). To assist South African organisations to account for their CCI contributions, a reporting framework could be useful to accurately disclose CCI contributions. In order to develop a disclosure framework for CCI in South Africa, the following research questions were formulated, which guided the research design, data collection and analysis in this study:

1) What is the current state of best practice CCI reporting in South Africa?
2) What CCI information is required by company stakeholders?

3) What is the current nature, extent and quality of CCID made by JSE-listed companies?
4) How are the information needs of stakeholders currently being met?
5) What are the current limitations on CCI reporting in South Africa?

In order to achieve the research objectives and answer the research questions, this study followed a pragmatic research methodology with a mixed-methods approach. Both quantitative and qualitative data analysis methods were used in order to gain a deeper understanding of CCI reporting in South Africa. The purpose of mixed-methods research is not to replace either qualitative or quantitative research approaches, as both are important and useful, but rather to draw from the strengths and diminish the weaknesses (Johnson & Onwuegbuzie, 2004:14). Mixed-methods studies collect both qualitative and quantitative data in order to better address the research problem (Teddlie & Tashakkori, 2009). In pragmatic research, the focus is on designing research approaches in order to answer the research question of the study (Johnson & Onwuegbuzie, 2004:15; Saunders et al., 2009:109; Tashakkori & Teddlie, 1998, 2010).

Table 10.1 indicates how the proposed research methods answered each of the research questions in order to achieve the research objective.

Table 10.1: Research methods, questions and objectives

Research stage	Research method	Research questions
Research stage 1: The initial CCID framework	Content analysis of top-performing CSR reporters and document analysis of CCID	1) What is the current state of best practice CCI reporting in South Africa?
Research stage 2: Refinement of the CCID framework	Interviews with CCI experts	2) What CCI information is required by company stakeholders? 5) What are the current limitations on CCI reporting in South Africa?
Research stage 3: Application of the CCID framework	Content analysis of a sample of 116 documents from 20 JSE-listed entities for the period 2015 to 2017.	3) What is the current nature, extent and quality of CCID made by JSE-listed companies? 4) How are the information needs of stakeholders currently being met? 5) What are the current limitations on CCI reporting in South Africa?

The following three research stages were followed: Research stage 1: Development of the initial CCID framework; Research stage 2: Refinement of the CCID framework; and Research stage 3: Application of the CCID framework. The three research stages were conducted sequentially and were based on the literature review, which served as the research preparation stage. The CCID framework was developed by adopting Coy and Dixon's (2004) model to construct a disclosure index. The initial CCID framework was developed on the basis of a content and document analysis (see Appendices B, C and D, and section 6.6 in chapter 6, for the initial CCID framework). The initial CCID framework was then refined and validated by conducting interviews with CCI experts (corporate managers, the preparers, users and specialists in the field, see chapter 7).

South African companies listed on the JSE were used as the sample unit of analysis for this study. Following the emergence of stand-alone social and environmental (sustainability) reports, the use of annual reports as the only source of CSR content analysis has been questioned (Campbell et al., 2003; Unerman, 2000). In addition to the analysis of sustainability reports (Adams et al., 2016; De Villiers & Alexander, 2014; Haque & Deegan, 2010; Soobaroyen & Ntim, 2013), the use of other disclosure mediums, such as newspapers, brochures and internet disclosures, has also been considered in social accounting research (Alali & Romero, 2012; Branco & Rodrigues, 2008; Dhaliwal et al., 2011; Lodhia & Stone, 2017; Zeghal & Ahmed, 1990). Accordingly, this study considered CCID as presented in the integrated and sustainability reports, as well as the corporate webpages of JSE-listed entities.

Based on table 10.1, the research methodology and methods applicable to answer each of the research questions and to achieve the research objective are explained below. The first research stage determined the current state of best practice CCI reporting in South Africa. The content analysis of CCID was performed on a sample of 12 top-performing CSR reporters in South Africa. The 2016 financial year's CCID, as disclosed in the integrated and sustainability reports and corporate webpages, were analysed. The document analysis included voluntary reporting guidelines from reporting organisations and CCI consultancy organisation guidance on CCI reporting. The initial CCID framework formed the basis of the framework to guide CCI reporting in South Africa.

In the second research stage, semi-structured interviews were conducted to determine what CCI experts, stakeholder groups and corporate managers deem important for companies to disclose in relation to CCID. The initial CCID framework as developed in research stage 1, was refined and validated by the panel of experts during the second research stage. This research stage included a qualitative analysis of opinions because the experts were requested to weight the importance of CCID elements. This stage determined an applicable standard or benchmark for CCI reporting in South Africa. The refined CCID framework was validated in follow-up interviews with the experts (see section 7.3.4, chapter 7), and the framework for CCI reporting in South Africa was then finalised (see section 7.4, chapter 7).

The third research stage investigated the extent, nature and quality of CCID of a sample of JSE-listed entities in South Africa, and on the basis of this, the study further determined how the information requirements of stakeholders are currently met. The sample of 116 corporate reports that were analysed included the integrated reports, sustainability reports and corporate webpages of 20 JSE-listed companies in the Basic Materials and Financials industries for the period, 2015 to 2017. The largest companies in these industries were selected to allow for the application of the CCID framework. This comparison provided qualitative data and findings on the quality of CCI reporting in South Africa.

10.3 MAIN RESEARCH FINDINGS AND CCID FRAMEWORK

This section deals with the main research findings and the CCID framework, which was an outcome of the findings of this study. The development and application of the CCID framework, based on the findings on research stages 1, 2 and 3, inform CCI reporting in South Africa. The result of research stage 1 was the initial CCID framework, while in research stage 2, the importance of the specific CCID items was weighted and the most appropriate disclosure mediums for each CCID item evaluated (see chapters 6 and 7). The opinions of the CCI experts were used to refine the initial CCID framework in order to construct the final CCID framework. The CCID framework can potentially be used as a reporting guideline by JSE-listed organisations to report on their CCI activities. The application of the CCID framework in research stage 3 highlighted how stakeholder expectations were met and reported on the specific CCI reporting limitations identified. The current nature, extent and quality of CCID were explained in the findings of the sample during research stage 3 (see chapter 8).

In the first section below, the main findings stemming from research stages 1 and 2, which informed the proposed CCID framework, are discussed. The second section deals with the findings relating to research stage 3 – the application of the CCID framework.

10.3.1 The main findings relating to research stages 1 and 2

The first main finding of this study was the development of the CCID framework. This framework was the result of the findings relating to research stages 1 and 2 (chapters 6 and 7). The developed CCID framework satisfied the research objective formulated for the study and filled the identified gap in the literature. The CCI experts emphasised the need for reporting guidance on CCI and cited the lack of such guidance as one of the challenges facing CCI reporting in South Africa.

The main finding in research stage 1 was the development of the initial CCID framework. The findings created an understanding of the current state of best practice reporting by JSE-listed organisations in South Africa. The analysis of the top-performing CSR reporters confirmed the use of the CSI term, suggested the reliance on the sustainability report as well as the lack of CCID presented on the corporate webpages, and provided initial insight into the close interaction between business operations and CCI. In research stage 2, the stakeholder requirements relating to CCID were determined by including the opinions of the CCI experts in the initial framework. The CCI experts postulated that all items should be disclosed, and four disclosure items were added to the initial CCID framework. The refined CCID framework was validated by CCI experts to ensure that the disclosure items accurately measured what they are intended to measure.

Table 10.2 depicts the final CCID framework, which was the main outcome of this study. The CCID framework contains nine general categories and 36 specific CCID items. The disclosure indicators provide further guidance and explanations of the specific CCID items as applicable. The disclosure indicators were derived from the document analysis during research stage 1, which enhanced the listed disclosure items as identified in the content analysis of the top-performing organisations. The CCID framework provides a best practice-reporting framework, which will allow organisations to present CCID in order to meet stakeholder requirements.

Table 10.2: The CCID framework

General categories	Specific disclosure items	Disclosure indicators
1. CCI within the organisation	1. Business rationale for CCI: Demonstrates whether the company understands CCI and has a business case for it.	*Statement by company senior management, CEO or chairperson of the board that describes the importance/relevance of CCI to the company/industry sector, and its long-term success. *Explains what CCI is and how it relates to the company's business strategy.
	2. The organisation understands its potential or direct social impact on communities.	*Lists operations with implemented local community engagement, social impact assessments, and development programmes.
	3.1 A specific board committee with explicit oversight and responsibility for CCI activities and disclosures.	*Lists board responsibilities relating to CCI activities and disclosures. *How the board committee responsibilities are linked to the management responsibilities.
	3.2 Management responsibilities relating to CCI activities and disclosures.	*Lists board responsibilities relating to CCI activities and disclosures. *How the management responsibilities are linked to the board committee responsibilities. *Size and structure of function/department/foundation responsible for CCI, reporting lines and reporting on any significant changes.
2. CCI strategy	4. Definition and explanation of the organisation's CCI policy or approach or adherence to regulatory guidance.	*Provides a rationale for the applicable CCI focus area (e.g. reasons for selected CCI categories and geographical areas).
	5. Description of how the CCI strategy is embedded within the business/company strategy.	*Link to organisation's business model and value creation *Information that enables the user to understand why certain approaches/projects are adopted. *How projects are aligned with the business strategy.
	6. Provides an overview of CCI objectives for financial year.	*Includes outcome/impact indicators/targets. *Includes qualitative and quantitative information

Table 10.2: The CCID framework (continued)

General categories	Specific disclosure items	Disclosure indicators
2. CCI strategy	7. Description of how CCI is linked to the organisation's sustainability strategy.	*A description of how the CCI strategy/approach adopted focuses on sustainable CCI projects.
	8. Whether CCI is linked to real social needs.	*A description of how the social needs of the community are identified. *Alignment to the macro/transformation goals of the country.
	9. Provides an overview of the organisation's CCI expenditure over the last few years (any significant events or highlights).	*Includes qualitative and quantitative information on CCI for last few years. *Explains significant changes/strategic shifts regarding CCI focus categories/geographical areas over the time.
	10. Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group.	*Community stakeholder groups include, for example, beneficiaries of CCI projects, non-profit organisations, civil society and other community groups. *Describes how the company has responded to key issues raised by community stakeholder groups/grievance processes.
3. Annual CCI expenditure	11. Definition of how the organisation determines its annual CCI budget.	*Indication of budget (e.g. percentage of net profit after tax, board discretion). *Stability from year to year. *Discusses any significant changes from the previous financial year.
	12. Provides total annual CCI expenditure figure for the financial year (with comparative figures).	
	13. Provides percentage/monetary breakdown of annual CCI expenditure per category.	*Categories of CCI include, for example, education, arts and culture, health and community upliftment.

Table 10.2: The CCID framework (continued)

General categories	Specific disclosure items	Disclosure indicators
3. Annual CCI expenditure	14. Provides percentage/monetary breakdown of annual CCI expenditure for each geographical area or business segment as most appropriate.	
	15. Indicates nature of annual CCI expenditure breakdown.	*Cash and non-cash contributions (e.g. assets, time/skills transfer/gifts in kind). *Monetary value of charitable giving. *Employee secondments and payroll giving.
4. CCI projects	16. An inventory of all major CCI projects supported disclosing the following:	
	16.1 Provides a qualitative description of all major CCI projects.	*General description, project objectives and list of specifics if applicable.
	16.2 Provides the monetary value invested for each major CCI project (comparative figures if applicable).	
	16.3 States the nature of support provided.	*Donations, sponsorships, gifts in kind, employee time/secondments, employee giving, other company resources, partnership details.
	16.4 Provides details of geographic location for each major project.	
	16.5 Provides details of beneficiaries for each major project.	
	16.6 Reports on the status of the major projects, including project overview with project timeline or future prospects.	
	16.7 Provides details of key outputs/outcomes for each major project.	*Quantitative and qualitative information. *Assesses performance against targets.

Table 10.2: The CCID framework (continued)

General categories	Specific disclosure items	Disclosure indicators
4. CCI projects	17. Provides details of project impact outcomes.	*Quantitative/qualitative information on the impact of the specific CCID project. *Focus should be on the impact of the investment and not on the expenditure of the project. *Disclosure on the effect on society, *Impact should be stated, which may include failures.
	18. Description of formal project impact assessments.	*Provides evidence of regular CCI project monitoring, evaluation and impact assessment. *Description of CCI indicators and data measurement tools.
	19. Indicates how performance, results in meeting the return on expectation set against CCI strategy.	*Provides a sense of anticipated return on investment. *Indicates, where possible, quantitative results for each evaluated project. *Provides information on how strategic objectives and impact outcomes/targets were achieved. *Provides information on how social capital/value was created. *Describes challenges, lesson learned and how lessons are being addressed.
5. Relevant regulatory measures	20. Description of CCI expenditure relative to the socio-economic development (SED) target on the BEE scorecard.	*Explains discrepancies between budget and actual expenditure, or leads/lags in expenditure relative to budget.
	21. Description of CCI expenditure in relation to the enterprise and supplier development target on the BEE scorecard.	*Explains discrepancies between budget and actual expenditure, or leads/lags in expenditure relative to budget.
6. CCI benefits/ business value creation	22. Description of benefits arising from CCI projects that affect the country positively.	*A qualitative narrative is presented. *Descriptions can be general relating to all CCI projects or each specific project.

Table 10.2: The CCID framework (continued)

General categories	Specific disclosure items	Disclosure indicators
6. CCI benefits/ business value creation	23. Description of benefits arising from CCI projects that affect the organisation positively.	*Qualitative descriptions and quantitative benefits relating to the organisation. *Quantitative measures include: - Employee engagement effect: Quantitative value saved on retention and/or value of increased employee engagement score. - Brand reputation effect: Value of increased views or impressions, value, internal measure of brand value. - Increased revenue/reduced expenditure: Sales driven by new market access and/or saved in mitigated risks.
7. Assurance of CCI reporting	24. An indication of whether the CCI information has been assured and the scope of external assurance provided.	*Specific aspects of the CCI programme that are assured (e.g. quantum of money spent, how the funds are applied and number of beneficiaries). *Explains the relationship between the company and the assurance provider.
8. Evidence	25. Actuality of CCI	*Photographs providing evidence of CCI activities. *Any achievements, external recognition obtained in relation to CCI activities.
9. Corporate webpage (CW) reporting additions	26. The organisation provides a link to its CCI application form/process, if available.	
	27. The organisation provides contact information of CCI representatives.	
	28. The organisation discloses the beneficiary criteria of applicable CCI projects.	
	29. The organisation demonstrates the impact of CCI projects on the lives of the beneficiaries by disclosing a beneficiary statement/thank you notes or beneficiary storytelling extracts.	

10.3.2 The main findings relating to research stage 3

The main findings relating to research stage 3, the application of the CCID framework (chapter 8), determined the current nature, extent and quality of CCID, and how stakeholder expectations were met by the sample of companies analysed. The sample of companies was limited to the largest companies in the Basic Materials and Financials industries.

Firstly, the findings suggested that the integrated report can be considered as the main disclosure medium for CCID. The follow-up interviews, which validated the CCID framework, confirmed this finding. The CCID presented in the integrated and sustainability reports were of a similar nature and the quality of the majority of the findings was not statistically different, but the extent of CCID (frequency) was higher in the sustainability reports compared to the integrated reports and corporate webpages. The nature and quality of the CCID in the integrated and sustainability reports were similar, with the exception of CCID item 16 of general category 4: *CCI projects*, of which the sustainability report was higher. The importance and essential nature of the sustainability report need to be evaluated in relation to the integrated report. This finding highlights the cost of reporting versus the associated benefit, which corporate managers need to take into account when preparing their CCID.

In support of this argument, the quality of the CCID in the integrated reports remained relatively constant over the reporting period (see sections 8.3.1 and 9.5.2), whereas the quality of the CCID in the sustainability reports varied during the reporting period (see sections 8.3.2 and 9.5.2). The role and prominence of the sustainability reports should be evaluated by corporate managers. The reason for this finding could be that companies are placing more emphasis on CCID in the integrated report in comparison with the sustainability report.

Secondly, on average, 55% of the CCID items were under-disclosed according to the CCI expert "best practice" framework to meet stakeholder expectations (see sections 8.3.1 to 8.3.3). This finding is of interest to CCI corporate managers (preparers) who need to present accurate and quality CCID in order to meet stakeholder requirements. This identified reporting shortcoming supports the need for a CCI reporting guideline.

Thirdly, the best-performing CCI categories were those relating to the organisation's *CCI strategy* (general category 2) and the major *CCI projects* (general category 4). It is important to note that not all of the CCID items in these categories were consistent with CCI expert "best practice". The quality and quantity of the major CCI projects (CCID item 16) were the most prominent disclosure item, but in the same category, CCID items addressing CCI project impact outcomes (CCID item 17) were not consistent with CCI expert "best practice", although the quality of CCID item 17 increased over the reporting period. This shortcoming concurs with the CCI reporting challenges as mentioned by the CCI experts (see table 7.10). Similarly, Sitkin (2013:323) argued that the trend in CSR reporting is "to offer qualitative descriptions of what companies do without trying to quantify the broader consequences" (see section 2.5.4).

In all the corporate reporting mediums of the sample of companies analysed, general category 5, *Relevant regulatory measures,* general category 6, *CCI benefits/business value creation*, and general category 7, *Assurance of CCI reporting,* were under-disclosed according to the CCI expert "best practice" stakeholder disclosures, and thus failed to meet stakeholder requirements.

Fourthly, the CCI experts regarded the corporate webpages of JSE-listed organisations as an important disclosure medium for CCID (see table 7.3). However, the application of the CCID framework on the corporate webpages (research stage 3) revealed that a number of companies presented outdated CCID information and, on average, the CCID included were of a lower quality, when compared to the integrated and sustainability reports (see table 8.11). The nature of CCID presented on the corporate webpages differed from the nature of CCID contained in the integrated and sustainability reports. The majority of CCID on the corporate webpages comprised narrative project descriptions and photographs. A number of CCID items according to the framework were not disclosed on this reporting medium.

As discussed in chapter 9, the findings relating to CCID presented on the corporate webpages would suggest that these disclosures are presented so that the company can be regarded as legitimate and to maintain its so-called "social licence" to operate. According to legitimacy theory, society uses the social licence to direct the ongoing existence of operations (Deegan, 2009:325). Exchange legitimacy, a subset of pragmatic legitimacy, means that an organisation is supported on the basis of the perceived value it provides to the constituents (Suchman, 1995). In this case, the imprecise nature of CCID presented on the corporate webpages (perceived value) creates the belief that organisations are involved with CCI in order to benefit communities and society.

Fifthly, the Basic Materials industry presented CCID of a greater extent and marginally higher quality in the sample of companies analysed, in comparison with the Financials industry (see section 8.3.5.). A possible reason for this finding is the sensitive nature and legislation relating to the mining sector and the communities in which the mining companies operate (see section 9.5.3).

Legitimacy theory and stakeholder theory explain this phenomenon because the mining sector's social licence to operate depends mainly on stakeholders such as the government and the communities in which the sector operates (see section 9.5.3). The sensitive nature of CCID was confirmed in the follow-up interviews (see section 7.3.4), suggesting that there are a number of stakeholder groups that could become potential dangerous stakeholder groups, when the status of power/urgency/legitimacy changes (see Mitchell et al.'s 1997 stakeholder salience framework). However, the greatest number of general statements also pertained to the Basic Materials industry, which supports the position that perceived value is created by the organisation's CCI activities. This follows legitimacy theory in the sense that the organisation has to obtain its social licence to operate.

On average for the sample of companies analysed, the current extent and quality of CCID were under-disclosed according to CCI expert "best practice". It would therefore appear that JSE-listed entities require reporting guidance on how to include CCID in their integrated reports. It is acknowledged that disclosure practices evolve over time, and different CCID themes can be presented, but the CCID framework presents a best practice disclosure framework to guide the reporting of CCI activities. It is envisaged that the knowledge gained in this research will foster a greater understanding of the CCID phenomenon, which could improve corporate reporting for stakeholders. The next section focuses on the contribution of this study to both practice and the existing literature.

10.4 CONTRIBUTION OF THE STUDY

The study was conducted in a country with a unique market orientation – South Africa is a developing country with the reporting standards and practices of a developed country – thus providing constituents with ample opportunities to draw from. Based on the identified gap in the literature, despite the regulatory requirements of the King Codes and the IIRF, there is currently no framework or reporting model for CCID in South Africa. The study should make the following contributions to both literature and practice.

Firstly, the study developed a CCID framework which extends the CSR literature and specifically contributes to the dearth of CCID literature. The proposed CCID framework makes a significant contribution because stakeholders require reliable and relevant CCI information. The extant literature emphasises the importance of including stakeholder expectations in CSR reporting (Diouf & Boiral, 2017; O'Dwyer & Owen, 2005; Owen, 2008; Parker, 2005; Unerman, 2000), but there is a paucity of research on entities that directly use sustainability reports (Belal & Roberts, 2010; Diouf & Boiral, 2017; Haque & Islam, 2015; O'Dwyer et al., 2005). One of the aims of this study was to contribute to this debate – by not only interviewing corporate managers responsible for CCID, but also interviewing CCI experts and users. Accordingly, this study extends the CCI and CSR research by incorporating the perceptions of CCI experts such as corporate managers (preparers), user groups such as non-profit organisations and specialists in the field (e.g. audit practitioners, academics, practitioners and non-executive directors). The proposed CCID framework responds to stakeholder information requirements because it creates a structured and comprehensive reporting tool to adequately report on CCI activities.

Secondly, the findings of the study provided qualitative insights on CCI reporting in South Africa by examining the stakeholder requirements, identifying CCI reporting limitations and challenges as well as legislation concerns. These qualitative insights provide a comprehensive and holistic understanding of CCI reporting in South Africa, in comparison with previous quantitative CCID studies in developed countries.

Thirdly, CCID in the context of developing countries have not adequately been researched. The findings relating to the development and application of the CCID framework should make a significant contribution to the existing literature because they provide empirical insights based on a developing country perspective. This study extends existing knowledge on how CCID in developing countries meet the information needs of stakeholders.

Fourthly, this is one of the first CCID studies to consider both integrated reports and sustainability reports, as well as the corporate webpages of JSE-listed organisations. It should make a contribution to practice because it examines the different corporate reporting mediums and extends the previous literature examining CCID in addition to the annual/integrated report disclosures. The findings provide valuable insights into non-financial reporting for JSE-listed organisations.

Fifthly, the findings emphasised the need for comparable CCI information, and the findings from the development of the CCID framework and the application thereof should be of interest to policy makers, standard setters and regulators. The CCID framework could be included in the BEE Act or JSE listings requirements in order to improve the identified reporting challenges. Local and international regulatory bodies, that might be in the process of reviewing or developing CCID would find the findings from this study useful.

Sixthly, Guthrie and Parker (2017:2) stated the following: “Accounting researchers have a responsibility to go beyond observation, engaging in and constructing a more equal and fair society.” Corporate managers (preparers) responsible for CCID can adopt the proposed framework as guidance for their CCI reporting. The findings relating to the associated costs and benefits relating to the different corporate reporting mediums investigated could assist corporate managers in their preparation of CCID. The CCID framework could improve the communication and relationship between organisations and their stakeholders. Developing and developed countries opting to review or develop their CCID could benefit from the findings and insights of this study, as the proposed CCID framework could be applied to different industries and countries.

Seventhly, this study makes a methodological contribution because of its use of a mixed-methods approach. The study commenced by gathering rich CCID data on JSE-listed organisations. The interviews provided an in-depth understanding of CCI reporting in South Africa by JSE-listed organisations. The follow-up interviews on the refined CCID framework enhanced the reliability and validity of the research findings. The study concluded with the application of the CCID framework by providing qualitative and quantitative insights into the sample of JSE-listed organisations analysed.

Eighthly, the study contributes to theory because it used both stakeholder and legitimacy theory to interpret the findings and understanding of CCI reporting in South Africa. In chapter 9, the findings were discussed in relation to these theories, and in the discussion, the overlap between legitimacy and stakeholder theory was identified – see Gray et al. (2014), Gray et al. (1995b:67) and Monfardini et al. (2013). These theories have enriched the understanding of CCID in South Africa. The development of the CCID framework resonates with stakeholder theory, while the findings relating to the application of the CCID framework support the theoretical perspectives of legitimacy theory. In addition to the identified legitimising drivers, the findings also suggest that local tensions and expectations are having an impact on CCID in South Africa.

In its entirety, the study should assist organisations opting to disclose their CCI information and extends the existing CCID and CSR literature. The next section addresses the implications of the study for policy and practice.

10.5 IMPLICATIONS FOR POLICY AND PRACTICE

The findings of this study have several implications for policy makers, standard setters and corporate managers (preparers) responsible for CCI reporting at JSE-listed entities in South Africa. These implications are also of importance to other countries.

10.5.1 Implications for policy

Currently, the BEE Act encourages JSE-listed companies to contribute to socio-economic development. The reporting thereon as part of organisations' total BEE score should be disclosed to the BEE Commission. A significant implication for the Department of Trade and Industry would be the inclusion of the developed CCID framework in the BEE Act to improve the reporting of socio-economic development and BEE in South Africa. Government participation could result in transparent disclosures, which could increase the operational efficacy of CCI at JSE-listed organisations. Increased efficacy of CCI, driven by improved disclosures, could ultimately benefit CCI project beneficiaries.

The findings indicated that the sample of companies analysed failed to disclose the relationship between CCI and the socio-economic development element and the supplier development target of the BEE scorecard. Furthermore, the findings suggested that local factors such as BEE regulation have had an impact on CCID and emphasise the effect of policy in regulating and ensuring adequate corporate reporting. Currently, the JSE listings requirements compel organisations to report on the King Codes of Corporate Governance and the International Integrated Reporting Framework. The inclusion of the CCID framework in either the listings requirements or the reporting requirements of these standard setters should be considered.

10.5.2 Implications for standard setters

The findings of this study and the CCID framework provide valuable insights for standard setters such as the IODSA responsible for the King Codes of Corporate Governance and the IIRC for the International Integrated Reporting Framework. The findings should also be of interest to private voluntary organisations such as the GRI.

Although non-financial reporting is prescribed in South Africa through the JSE listings requirements, which insist on compliance with the King Codes and IIRF, the extent of CSR reporting is still left to the discretion of management (Ackers & Eccles, 2015; Horn et al., 2018). The findings of the study indicated that reporting guidance is required to enable companies to adequately disclose their CCI initiatives. The voluntary CSR reporting guidance provided by the GRI was found to be inadequate to meet stakeholders' CCI reporting requirements. The incorporation of the CCID framework into either the King Codes or GRI should be considered by these standard-setting bodies. The findings of this study could assist them in developing a global reporting framework for CCI. The findings on the relevance and importance of CCID, together with the various disclosure mediums, could provide valuable insights for both local and international standard setters if they were to consider using the CCID framework.

Overall, the findings indicate that from the sample of companies analysed, the current CCID fail to meet stakeholder requirements, and this deficiency might be attributed to the lack of adequate reporting guidance. Guidance on CCI reporting and sustainability reporting in general should not be left to private organisations and other non-accounting bodies such as the GRI, the UN Global Compact, the ISO 26000 and other frameworks, as is currently the case. Since the King Codes and the IIRC require non-financial reporting, these standard-setting bodies are in the position to enhance reporting to stakeholders. They can be held accountable because they can provide the necessary input required to ensure standardisation in the quality and quantity of disclosures in the integrated reports.

10.5.3 Implications for practice

The research highlighted a number of CCID items that were not adequately disclosed in the corporate reports of JSE-listed entities. The accountability of stakeholders would be enhanced by the inclusion of the CCID items (according to the proposed framework) in the integrated report of JSE-listed entities. The CCID framework developed in this study could be used by JSE-listed entities as a reporting framework to meet their stakeholders' information needs.

The findings of the study indicated that corporate managers (preparers) require reporting guidance to adequately disclose their CCI initiatives. The findings confirmed that the developed CCID framework provides a comprehensive reporting guideline for CCI reporting by JSE-listed organisations. Accordingly, the adoption of the CCID framework by both JSE-listed organisations and smaller organisations is encouraged to improve CCI reporting in South Africa. The findings shed light on what CCI information should be disclosed by JSE-listed companies, and the CCID framework and the findings could assist boards and the committees supporting them (e.g. the social and ethics committee) to better address the organisation's CCID practices.

The CCI experts emphasised the key role of CCI reporting in the integrated reports of JSE-listed organisations. Corporate managers should carefully consider the cost of reporting against the associated benefits of CCI in the sustainability or equivalent supporting report and the corporate webpage. The findings indicated that the CCID on the corporate webpages of JSE-listed organisations have been neglected. Hence the incorporation of the CCID framework into the organisations' stakeholder engagement process should be considered in order to increase the operational efficacy and subsequent reporting of CCI.

The findings indicate that CCI reporting is currently deficient, and it is therefore also the responsibility of accountants and the accounting profession to improve non-financial disclosures and CCID in particular. It is the responsibility of accountants to advise management on the inclusion of social issues, such as CCI, in the organisation's strategic decision-making processes, because this would align the reporting cycles and ensure consistency in CCI reporting. External auditors should provide guidance or assurance on the accuracy and completeness of non-financial disclosures, including CCID, to best inform organisations of their accountability. The findings indicated that CCID quantity does not also mean quality – hence the need for CCI reporting guidance. CCID assurance can extend the assurance provided on the annual CCI expenditures, by strengthening the rigour of the assurance process – for example, in the case of CCID, to provide assurance on CCI project narratives and strategy disclosures. Furthermore, the audit work could include the physical verification of the community activities disclosed as well as the CCI reporting process.

10.5.4 Implications for other countries

The results of this study have several implications for countries that are currently reporting on CCI, or countries planning to do so. The proposed CCID framework could help countries to improve their CCI reporting. The development of this framework, from a South African perspective, provides a unique setting for the development towards CCI reporting worldwide. South Africa is a developing country, struggling with social and other developmental challenges. However, it is also regarded a leader in corporate governance and CSR reporting. This unique setting should act as a stimulus for other countries to either commence or improve their CCID.

Although there are differences in CSR reporting between developing and developed countries (Belal & Momin, 2009; Belal & Owen, 2007; Hossain et al., 2015), it has been argued that developing countries have stronger discretionary/philanthropic responsibilities in comparison with their developed counterparts (Belal & Momin, 2009; Visser, 2008; Visser et al., 2007). Accordingly, the adoption of a CCID framework developed within a developing country provides both developing and developed countries with the opportunity to enhance their CCID practices.

10.6 LIMITATIONS OF THE STUDY

The outcomes of this study indicated several limitations, and the findings should be interpreted on the basis thereof.

Firstly, the development of the CCID framework was focused on JSE-listed organisations, because the review of CCID during research stage 1 incorporated top-performing CSR reporters listed on the JSE, and the opinions of the 30 CCI experts in research stage 2 were associated with JSE-listed organisations. Top-performing JSE-listed organisations were selected as the basis to develop a best practice disclosure framework. Hence the proposed framework in its current format might not be applicable to government institutions or small and medium-sized enterprises. Further research might be required in this regard.

Secondly, similar to other disclosure index studies (Hooks, 2000; Marston & Shrives, 1991; Schneider & Samkin, 2008), the nature of developing a CCID framework, using interviews to assess item inclusion and quality, lends itself to subjectivity because different stakeholder groups could assess the CCID framework in a different way. The decision was taken to select CCI experts, as opposed to only preparers or users, to afford the study the best opportunity to establish “best practice”. Furthermore, the expectation was that the stakeholder requirements from the perspective of an “expert” would exceed the requirements of an “average” user group. The inclusion of additional stakeholders or the consideration of stakeholders across different countries would be a fruitful area for future research, which could improve the CCID framework and provide valuable insights into the CCI reporting notion.

Thirdly, the CCID framework was applied to two industries only, namely Basic Materials and Financials. These industries were selected on the basis of their associated prominence in respect of CCI in South Africa. South Africa is well known for its mining operations (US Geological Survey, 2018) and effective and regulated banking system (Banking Association South Africa, 2017; Brand South Africa, 2017). In South Africa, the relationship between mines, local communities and society is essential for organisations in order to mitigate their related social risks (MiningCSI, 2017; Odendaal, 2011). The largest companies by market capitalisation were selected for these industries, aligned with the purposive sampling approach adopted for this study. The results of the statistical analysis following the application of the CCID framework were also limited to the sample of companies included, because it will not be possible to generalise the results to the larger population. These limitations were weighed against the potential to gain new insight into CCID practices and patterns. Hence, a possible limitation is that the findings of this study cannot be generalised to the entire South Africa or JSE, but are limited to the sample of companies included in this study. The selection of other industries and smaller companies might yield different results, which would be an interesting avenue for future research.

Finally, as part of the CCID framework application, it was apparent that not all the CCID presented on the corporate webpages of the sample of companies were dated. This increased the difficulty of ascertaining whether or not the CCID presented on the corporate webpages were relevant for inclusion in the period of the study. The decision was taken to analyse the disclosed information in terms of the decision rules, as the benefit of including the information outweighed the limitation of omitting it. Hence the inclusion of the information could be a limitation to the results of the corporate webpage content analysis. It is also possible that the extent of corporate webpage disclosures was overstated. In the same vein, this limitation supported the finding that CCID on corporate webpages are neglected, and the potential of this disclosure medium is not fully utilised by corporate managers at JSE-listed organisations.

Notwithstanding the above limitations, this study has the potential to make a valuable contribution to the paucity of prior research in the field of CCID, and provide useful findings obtained from the development and application of the CCID framework. The study provides valuable insights from South Africa towards the development of a CCID framework.

10.7 RECOMMENDATIONS FOR FUTURE RESEARCH

This study is of the first of its kind to provide a basis for CCI reporting in South Africa, and accordingly provides the foundation for future research. Recommendations for future research include the following:

- Compare the findings of the application of the CCID framework with research using a different sampling frame, to allow for a comparison between different companies and industries in South Africa.
- Explore the application of the CCID framework using a different research method, for example, adopting a case study approach or investigating users' perspectives on whether the proposed CCID framework fulfils user needs.
- Investigate the applicability of the CCID framework to government institutions or small and medium-sized enterprises in South Africa.
- Conduct studies in other countries to gain comparative insights into the impact and relevance of the CCID framework.
- Conduct a quantitative investigation on the impact of BEE regulation and community expectations on CCID.

10.8 CONCLUDING REMARKS

This study was conducted with the overarching aim of improving CCI reporting in South Africa. Owing to the lack of regulatory guidance on CCID, the purpose of this study was to develop a reporting framework to guide CCI reporting. According to KPMG (2016), social risks place South African companies in a different position compared to other global companies. In South Africa, the combination of powerful business organisations and the state of the country's developmental needs increases the expectation imposed on companies by the government and society to play a role in socio-economic development (Stirling et al., 2016). While the political, economic and social situation in South Africa may not be identical to that of other countries, it is anticipated that much of the experience in South Africa will be valuable to other countries endeavouring to improve their CCID.

The findings of this study revealed several significant features relating to CCI reporting. In South Africa, the top-performing CSR reporters listed on the JSE, together with the available reporting guidance, provide a best practice reporting framework for CCI activities. The development of the initial CCID framework on the basis of these sources indicated the current state of best practice CCI reporting in South Africa, and thus answered the first research question.

Furthermore, the study should improve CCI reporting in South Africa by including the CCI experts' opinions (importance weightings and the quality criteria) in the CCID framework. As part of the validation process, the CCI experts were of the opinion that the proposed CCID framework does provide comprehensive guidance to corporate managers responsible for CCID in order to meet stakeholder requirements. The findings based on the CCI expert opinions confirmed what CCI information would be required by company stakeholders, and thus answered the second research question.

The main objective, namely to develop a CCID framework, was achieved by following the guidance of Coy and Dixon (2004) on the construction of a disclosure index. The CCID framework was based on the development of the initial CCID framework, which was then refined. The refinement comprised the inclusion of CCI experts' opinions. The refined CCID framework was subsequently validated to construct the final proposed CCID framework.

The application of the CCID framework identified a number of vital themes that contribute to existing knowledge. The CCID framework was applied to a sample of JSE-listed organisations in two South African industries namely, Basic Materials and Financials. The findings emanating from the application of the CCID framework confirmed the need for CCI reporting guidance in South Africa. The findings also highlighted a number of areas that do not appear to be adequately disclosed in the corporate reports of the sample of JSE-listed organisations. The most frequently reported category of CCID was general category 4: *CCI projects*, and the majority of CCID in the integrated report related to the descriptions of the major CCI projects (CCID item 16). The application of the CCID framework on the sample that was analysed, determined the nature, extent and quality of CCID by JSE-listed companies, for the two industries, thus answering the third research question. The comparison between the CCI expert "best-practice", according to the CCID framework, and the application of the framework on the sample of entities indicated how the information needs of stakeholders are met, and provided an answer to the fourth research question.

The last research question, namely to identify the current limitations on CCI reporting in South Africa, was answered on the basis of the CCI expert's opinions, as well as the findings of the application of the CCID framework. The findings highlighted the use of the integrated report as the main communication medium for CCID, and encouraged the utilisation, costs and benefits of supporting reports. The neglect of CCID on the corporate webpages should be an incentive to JSE-listed organisations to enhance their CCID. The findings suggested that CCI reporting in JSE-listed organisations is not fully understood, which manifests in CCI with a marketing or compliance focus, or which results in operational inefficacies, including the fact that community needs are not being addressed. The results suggest that the inclusion of CCID items (according to the proposed framework) in the integrated reports of JSE-listed organisations could enhance the discharge of accountability to stakeholders.

Based on the unique economic, social and institutional factors in South Africa, this study should provide a comparative research context for CCID that is applicable to both developing and developed countries. The findings of this study should make a substantial contribution to the development of CCI reporting in South Africa.

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APPENDIX A:
INITIAL CCID FRAMEWORK – RESEARCH STAGE 1 PILOT REVIEW DECISION RULES

CCID coding decision rules: Research stage 1 pilot review

Decision rules: Initial CCID framework
No. Description
1. Sentence count of any statement, where any item within the categories of CCI in table 6.1 above is mentioned.
2. General decision rules: • All disclosures must be specifically stated, they cannot be implied. • Tables (monetary and non-monetary) that provide information relating to CCI activities according to table 6.1 are classified as a unit and coded. • Listed disclosures (e.g. bullet point listing items) that provide information relating to CCI activities according to table 6.1 are classified as a unit and coded (as this is centred on one idea/for a single purpose). Where full sentences/paragraphs are discussed in bullet point format, each sentence is classified accordingly.
3. Inclusions: • All CCI related tables, graphs, figures and photographs. • All community sponsorship activities as stated in table 6.1 above no matter how much it is advertising. • Any employee involvement relating to CCI activities according to table 6.1, if company support is apparent.
4. Exclusions: • Regulatory environmental rehabilitation activities that are regulated through environmental legislations.
5. CCI terminology applied: • Corporate community involvement • Community spend • Socio-economic development • CED spend/expenditure • Community engagement • Corporate social investment • Community development • Corporate social responsibility

Adapted from Fig (2005); Gray et al. (1995a:96); Hackston & Milne (1996:108); Mahadeo et al. (2011:174); Yekin,(2012; Yekini et al. (2015:264).

APPENDIX B:
INITIAL CCID FRAMEWORK – RESEARCH STAGE 1 CONTENT ANALYSIS

The content analysis template adopted for research stage 1 is presented in the tables below. Table B.1 provides the code list and code definitions, following the template analysis guidance as constructed on the basis of the pilot review (see section 6.3.1). These codes were adopted in the content analysis of the CCID of the top-performing CSR reporters (research stage 1). Table B.2 indicates how the specific and general CCID items were categorised from the coding results of research stage 1. Table B.3 presents the CCID items identified in the content analysis, step 1 of research stage 1.

Table B.1: Code list and code definitions: Step 1 – research stage 1

#	***CCI code list***	***CCI code list: Definitions***
1	*_ANNUAL EXPENDITURE_budget*	*Organisation provides details on the CCI budget.*
2	*_ANNUAL EXPENDITURE_comparative figures*	*Organisation provides comparative figures relating to annual CCI expenditure (monetary value)*
3	*_ANNUAL EXPENDITURE_ category breakdown*	*Organisation provides a breakdown of annual CCI expenditure for each CCI category (e.g. education, health, community development, etc.), which can be monetary values or a percentage breakdown of total CCI expenditure*
4	*_ANNUAL EXPENDITURE_ geographic location*	*Organisation provides a breakdown of annual CCI expenditure for each geographic location, which can be monetary values or a percentage breakdown of total CCI expenditure*
5	*_ANNUAL EXPENDITURE_percentage*	*Organisation states CCI expenditure as a percentage of company performance (e.g. % of profit)*
6	*_ANNUAL EXPENDITURE_period overview (can include qualitative, quantitative descriptions relating to CCI expenditure over the last few years)*	*Organisation provides details of the CCI expenditure for a period. The period overview can include qualitative or quantitative descriptions of CCI over the last few years. A short summary is provided of CCI expenditure over a period of time*
7	*_ANNUAL EXPENDITURE_qualitative overview (CCI categories invested in/main objectives/through foundation or separate entity)*	*Organisation presents a qualitative overview of CCI objectives, CCI structure in the organisation and main objectives for the financial year*
8	*_ANNUAL EXPENDITURE_total*	*Organisation provides the total annual amount invested in CCI activities for the financial year*

#	*CCI code list*	*CCI code list: Definitions*
	investment (monetary value)	*(quantitative)*
9	*_ANNUAL EXPENDITURE_total investment according to company segment/division*	*Organisation provides a breakdown of annual CCI expenditure for each company segment/division, which can be monetary values or percentage breakdown of total CCI expenditure*
10	*_ANNUAL EXPENDITURE_ breakdown according to beneficiary demographics of the country*	*Organisation provides a breakdown of annual CCI expenditure for beneficiary demographics, which can be monetary values or a percentage breakdown of total CCI expenditure*
11	*_ANNUAL EXPENDITURE_quantitative outcome (number of outcomes)*	*Organisation provides a quantitative output on CCI activities for the period under review*
12	CW_APPLICATION FORM	Organisation makes CCI application form available on CW
13	SR_ASSURANCE PROVIDED	Indicates whether CCID have been assured and the scope of external assurance
14	_BENNEFIT OF CCI _for the organisation/the country	Information on the benefits of CCI in general/on project level for the organisation or the country
15	CW_COMPANY CONTACT DETAILS PROVIDED for CCI	Organisation provides contact information of CCI representative on CW
16	_CROSS REF	Organisation cross-references CCI information between IR/SR/CW or within corporate medium
17	_DEFINITION_applicable CCI term	Organisation defines/explains the CCI term it has applied
18	SR_EXTERNAL REVIEW PANEL_requested more disclosures on the company's response to community complaints	Organisation obtained external stakeholder feedback on corporate reports
19	_GENERAL STATEMENT	When the organisation discusses CCI activities, no qualitative/quantitative information can be extracted/obtained. Extremely general disclosures that do not result in constructive input
20	_INTEGRATION_BEE	Organisation explains CCI in accordance with the BEE requirements, relating to the socio-economic development element, preferential procurement element and supplier development
21	_INTEGRATION_employee development & relations	Organisation employee benefits that are also open to communities
22	_INTEGRATION_environmental	Organisation environmental benefits that are also open to communities
23	_INTEGRATION_general statement	When CCI information of a general nature is integrated within another topic (for CCI information of a general nature, see _GENERAL STATEMENT)
24	_INTEGRATION_indicate that the community is of significance to the company	Chairperson/CEO/company overview articulates the organisation's views on CCI in relation to company goals
25	_MEASUREMENT TOOL	CCI measurement tool applied to measure CCI projects
26	_PERFORMANCE	Organisation reports on the CCI performance in relation to the regulatory guidance adopted
27	_PHOTOGRAPHIC DISCLOSURES	Any CCI photographic evidence

#	CCI code list	CCI code list: Definitions
28	SR_PICTORICALLY ILLUSTRATED	CCI projects illustrated pictorially
29	CW_PROJECT_beneficiary criteria	Organisation provides the applicable beneficiary criteria relating to CCI projects
	_PROJECT	**This code applies to all CCI projects (project levels) and CCI category (education/health/arts/etc.) disclosures**
30	_PROJECT_beneficiaries	Information on the beneficiaries benefiting from CCI projects
31	_PROJECT_comparative figures	Comparative figures for each CCI project expenditure, if applicable
32	_PROJECT_future investments/plans for the project (detailed/specific information)	Specific planned activities/future expenses or investments for current and upcoming CCI projects (duration of project and budgeted expenses)
33	_PROJECT_nature of support_donations/ employee time&knowledge/ partnerships/sponsorships	Information on the nature of support provided forr each project (donations/employee time & knowledge/partnerships/sponsorship)
34	_PROJECT_per geographic location	Geographic location of applicable CCI projects
35	_PROJECT_period overview (can include qualitative, quantitative descriptions relating to project over the last few years)	Organisation provides details of the CCI project expenditure for a period. The period overview can include qualitative or quantitative descriptions of CCI over the last few years. A short summary of CCI project expenditure over a period of time
36	_PROJECT_qualitative_detailed narrative on project (discuss specific inputs and outcomes)	Qualitative information on CCI project-specific information, details on inputs or outcomes achieved
37	_PROJECT_qualitative_general description/narrative of the project	Qualitative CCI PROJECT information of general nature (for CCI information of general nature see _GENERAL STATEMENT)
38	_PROJECT_quantitative investment_project expenditure/investment (monetary value) during current year	Organisation provides the total annual amount invested in the relevant CCI project for the financial year (quantitative)
39	SR_PROJECT_quantitative outcome_number of project outcomes	Organisation provides quantitative CCI project outcomes
40	SR_PROJECT_status	Organisation provides information on the status of the CCI project
41	SR_PROJECTS_inventory of projects	Organisation provides a list/inventory of all major CCI projects
42	SR_PROJECTS_social impact assessment outcomes	Organisation provides information on social impact assessment outcomes
43	CW_RATINGS AND RECOGNITION_example of impact on beneficiary/statement from beneficiary	Organisations use a beneficiary of a CCI project as an example to demonstrate impact made on beneficiary/use beneficiary statements to demonstrate impact made through the CCI project
44	SR_RATINGS AND RECOGNITION	Information on external ratings or awards achieved by the organisation in relation to CCI

#	CCI code list	CCI code list: Definitions
45	SR_RESPONSIBLE COMMITTEE_detailed narrative on responsibilities	The committee responsible for CCI provides specific details of CCI responsibilities
46	SR_RESPONSIBLE COMMITTEE_general statement	When the committee responsible for CCI discusses general information on CCI responsibilities (for CCI information of general nature see _GENERAL STATEMENT)
47	_STAKEHOLDER RELATIONS_challenges	Organisation discusses the challenges it faces when implementing CCI projects
48	_STAKEHOLDER RELATIONS_engagement channels	Discussion of engagement channels with community relating to CCI concerns, needs, requests and feedback
49	_STAKEHOLDER RELATIONS_general statement	General narrative on the community as a stakeholder (for CCI information on general nature see _GENERAL STATEMENT)
50	_STAKEHOLDER RELATIONS_the community is of significance to the company	Organisation includes the community and CCI as part of its material stakeholder interests
51	_STRATEGIC APPROACH	The policy or approach the organisation follows when executing its CCI activities
52	SR_STRATEGIC APPROACH_company policy/formal company approach	Examples of strategic approach: company policy
53	SR_STRATEGIC APPROACH_collaborations with government dept & local authorities	Examples of strategic approach: partnerships with government departments/local authorities
54	SR_STRATEGIC APPROACH_collaborations with NGOs/universities/consultants	Examples of strategic approach: partnerships with NGOs/consultants/universities
55	SR_STRATEGIC APPROACH_employee involvement	Examples of strategic approach: employee involvement programmes
56	SR_STRATEGIC APPROACH_formal grievances	Examples of strategic approach: formal grievance process
57	SR_STRATEGIC APPROACH_general statement	General narrative on the strategic approach relating to CCI (for CCI information of general nature see _GENERAL STATEMENT)
58	SR_STRATEGIC APPROACH_impact assessments	Examples of strategic approach: social impact assessments
59	SR_STRATEGIC APPROACH_measurement tool	Examples of strategic approach: measurement tool adopted
60	SR_STRATEGIC APPROACH_monitoring	Organisation reports that monitoring is part of its strategic approach when assessing CCI
61	_STRATEGIC APPROACH_regulatory guidance applied/incorporated	Organisation lists applicable regulatory guidance adopted to guide CCI

#	*CCI code list*	*CCI code list: Definitions*
62	SR_STRATEGIC APPROACH_regulatory guidance_IFC performance standards/SLP/UN-SGD’s	Organisation discusses specific regulatory guidance adopted (e.g. IFC performance standards/UN SGD/SLP)
63	_SYNONYM_CED expenditure/community engagement/CSI/CSR/SED spend	The synonyms/different terminology applied for CCI

Table B.2 provides a list that is numerically linked to the content analysis template codes (listed and defined above). The table indicates the categorisation process of the general and specific disclosure items identified in the content analysis of the CCID of the top-performing CSR reporters (research stage 1).

Table B.2: Categorisation of code list: Step 1 of research stage 1

Applicable CCI code as above #	General disclosure category	Specific disclosure item
1	CCI annual investment/expenditure (1)	Defines how the organisation determines its annual CCI budget (e.g. percentage of NPAT)
2		Provides the organisation's annual CCI expenditure for the financial year (comparatives if available)
3		Provides percentage/monetary breakdown of annual CCI expenditure per CCI category
4		Provides percentage/monetary breakdown of annual CCI expenditure for each geographic location/business segment
5		See #3; 4
6	CCI strategy (8)	Provides a periodic overview of the organisation's CCI expenditure; includes amounts invested and significant outputs achieved during this period
7		Provides a qualitative overview of the CCI objectives, CCI structure within the organisation and main CCI objectives for the financial year
8	CCI annual investment/expenditure (1)	Provides the organisation's annual CCI expenditure for the financial year (comparatives if available)
9		Only 1 company – excluded
10		Only 1 company – excluded
11		Only 1 company – excluded
12	Specific to corporate webpages only (2)	Organisation presents a link to CCI disclosure application, if available
13	CCI assurance (3)	Organisation indicates whether the CCI disclosures have been assured and the scope of assurance provided
14	CCI benefits/business value creation (4)	Organisation disclosure benefits of CCI in general/for each project level for the organisation or country
15	Specific to corporate webpages only (2)	Organisation provides contact information of CCI representative on its corporate webpage
16		No disclosure item, practical disclosure guidance
17	CCI terminology	Organisation defines/explains the CCI terminology it adopts
18		Only 1 company – excluded
19	General statement	No specific disclosure items applicable to this code
20	Other regulatory guidance (5)	Describes CCI expenditure relative to the socio-economic development expenditure on the BEE scorecard

Applicable CCI code as above #	General disclosure category	Specific disclosure item
21	CCI projects (6)	To distinguish between employees and community members benefiting from projects – see CCI project disclosures
22		Organisation provides evidence of environmental impacts/considerations in relation to local communities in which the organisation operates – see CCI project disclosures
23	General statement	No specific disclosure items applicable to this code as general disclosure item
24	CCI within the organisation (7)	Organisation discloses the CCI relevance to the its broader purpose/business strategy; this disclosure is usually by the CEO/chairperson or as part company's material interests
25	CCI projects (6)	Whether the organisation has a performance assessment tool to monitor CCI projects
26		Whether the organisation reports on its CCI performance in relation to regulatory guidance adopted by it
27	Physical evidence (9)	Photographs providing evidence of the organisation's CCI activities
28		Only 1 company – excluded
29	Specific to corporate webpages only (2)	Organisation discloses the beneficiary criteria of applicable CCI projects on its CW
30	CCI projects (6)	Provides details of the beneficiaries of the projects
31		Provides details of monetary value invested during current year (with comparatives if applicable)
32		Provides details on the status of the project (project overview, completed, in process, future specifics)
33		Provides details on the nature of support provided (donations cash/gifts in kind or employee secondment/other resources/partnership details)
34		Provides details on the geographical location of the projects
35		Provides details on the status of the project (project overview, completed, in process, future specifics)
36		*Addressed above*
37		*No specific disclosure items applicable to this code as general disclosure item*
38		Provides details on monetary value invested during current year (with comparatives if applicable)

Applicable CCI code as above #	General disclosure category	Specific disclosure item
39		Provides details on output and performance (number of individuals impacted & distinguish between employee & community members if joint projects)
40		Provides details of the status of the project (project overview, completed, in process, future specifics)
41		Provides an inventory of the CCI projects for the annual financial period
42		Only 1 company – excluded
43	Specific to corporate webpages only (2)	On CW organisation demonstrates its impact on the lives of beneficiaries through beneficiary statements/thank you notes or beneficiary storytelling
44	Physical evidence (9)	Organisation discloses any achievements or recognition obtained or beneficiary notes
45	CCI within the organisation (7)	Whether the organisation has a specific board committee with explicit oversight responsibility for CCI activities.
46	General statement	No specific disclosure items applicable to this code
47	CCI projects (6)	Reporting on the challenges the organisation faces in completing its CCI projects.
48	CCI strategy (8)	The approach the organisation follows to engage/communicate with the communities in which it operates.
49	General statement	No specific disclosure items applicable to this code because it is a general disclosure item
50	CCI within the organisation (7)	See_INTEGRATION_the community is of significance to the company
51	CCI strategy (8)	The policy/approach the organisation follows when executing its CCI activities
52		
53		
54		
55		
56		
57	General statement	No specific disclosure items applicable to this code because it is a general disclosure item
58	CCI strategy (8)	The policy/approach the organisation follows when executing its CCI activities
59		
60		
61		Organisation's strategic approach and applicable regulatory guidelines adopted as guidelines for CCI
62		
63	CCI terminology	No specific disclosure item assigned

Table B.3 is a summarised version of table B.2 above.

Number of CCID items	General disclosure category	Specific disclosure items	CCI code as above #
1	CCI annual investment/expenditure (1)	1.1 Defines how the organisation determines its annual CCI budget (e.g. percentage of NPAT)	1
2		1.2 Provides the organisation's annual CCI expenditure for the financial year (comparatives if available)	2, 8
3		1.3 Provides percentage/monetary breakdown of annual CCI expenditure for each CCI category	3, 5
4		1.4 Provides percentage/monetary breakdown of annual CCI expenditure for each geographic location/business segment	4, 5
5	CCI strategy (8)	Provides a periodic overview of the organisation's CCI expenditure; includes amounts invested and significant outputs achieved during this period	6
6		Provides a qualitative overview of the CCI objectives, CCI structure within the organisation and main CCI objectives for the financial year	7
7	Specific to corporate webpages only (2)	Organisation presents a link to CCI disclosure application, if available	12
8		Organisation provides contact information of CCI representative on its CW	15
9		Organisation discloses the beneficiary criteria of applicable CCI projects on its CW	29
10		Organisation demonstrates its impact on the lives of beneficiaries through beneficiary statements/thank you notes or beneficiary storytelling	43
11	CCI assurance (3)	Organisation indicates whether the CCI disclosures have been assured and the scope of assurance provided	13
12	CCI benefits/business value creation (4)	Organisation disclosure benefits of CCI in general/for each	14

Number of CCID items	General disclosure category	Specific disclosure items	CCI code as above #
		project level for the organisation or country	
13	Other regulatory guidance (5)	Describes CCI expenditure relative to the socio-economic development expenditure on the BEE scorecard	20
14		Describes CCI expenditure in relation to preferential procurement & supplier development of BEE scorecard	20
15	CCI projects (6)	6.1 Provides details of the beneficiaries of the projects	30
16		6.2 Provides details of monetary value invested during current year (with comparatives if applicable)	31, 38
17		6.3 Provides details of the status of the project (project overview, completed, in process, future specifics)	32, 35, 40
18		6.4 Provides details of the nature of support provided (donations cash/gifts in kind or employee secondment/other resources/partnership details)	33
19		6.5 Provides details of the geographical location of the projects	34
20		6.6 Provides details on output and performance (number of individuals impacted & distinguish between employee & community members if joint projects)	39
21		6.7 Provides an inventory of the CCI projects for the annual financial period	41
22		Reporting on the challenges the organisation faces in completing its CCI projects	47
23	CCI within the organisation (7)	Organisation discloses the CCI relevance to its broader purpose/business strategy; this disclosure is usually by the CEO/chairperson or as part company's material interests	24
24		Whether the organisation has a specific board committee with explicit oversight responsibility for CCI activities	45
25	CCI projects (6)	Whether the organisation has a	25

Number of CCID items	General disclosure category	Specific disclosure items	CCI code as above #
		performance assessment tool to monitor CCI projects	
26		Whether the organisation reports on its CCI performance in relation to regulatory guidance adopted by it	26
27	CCI strategy (8)	The policy/approach the organisation follows when executing its CCI activities	48, 51-60
28		Organisation's strategic approach and applicable regulatory guidelines adopted as guidelines for CCI	61, 62
29	Physical evidence (9)	Photographs providing evidence of the organisation's CCI activities	27
30		Organisation discloses any achievements or recognition obtained or beneficiary notes	44

APPENDIX C:
INITIAL CCID FRAMEWORK – RESEARCH STAGE 1 DOCUMENT ANALYSIS

Identified CCID	Source	Comment regarding inclusion in initial CCID framework
1. Business rationale for CSI – demonstrates whether each company understands the socio-economic context and business case for CSI; provides a statement (usually by company senior management) describing the relevance of CSI to the industry sector, the company, and its long-term success; explains how CSI relates to business strategy	Trialogue (2013); CECP (2010); PSI (2000)	**1. Included on basis of inclusion criteria; also see Appendix B#24; Add and refine initial CCID framework**
2. Describes the highest governance body responsible for community involvement in the business; indicates size and structure of function/department/foundation responsible for community involvement, reporting lines and any significant changes	Trialogue (2013); South Africa (2011)	**2. Included on basis of inclusion criteria; also see Appendix B:#45; Add and refine initial CCID framework**
3.1 Focus areas – defines and explains the rationale for the community involvement focus areas; provides details of and rationale for geographic focus areas; provides explanation of who qualifies for funding	Trialogue (2013); PSI (2000)	**3. Included on basis of inclusion criteria; See Appendix B:#51; 29; add and refine initial CCID framework**
3.2 Describes the overall vision and the strategy for achieving this vision; sets out the company's strategic priorities; describes short-term (1-2 years), medium-term (3-5 years) and long-term objectives of the community programme	Trialogue (2013)	**4. Not included on basis of inclusion criteria**
4. Stakeholder engagement – identifies community stakeholder groups (eg. beneficiaries; NPOs, civil society, community groups, government, employees); details nature of engagement with each stakeholder group (e.g. surveys, focus groups, employee involvement programmes); describes how the company has responded to key issues raised by stakeholder groups	Trialogue (2013)	**5. See Appendix B:#48; refine initial CCID framework**
Regularly communicates information to meet stakeholder expectations	PSI (2000)	**See above**
5. Reports the percentage of operations with implemented local community engagement, impact assessments and development programmes, which includes the use of social impact assessment and formal community grievance processes	GRI (2013:76); JSE(2014)	**6. Included on basis of inclusion criteria**

Identified CCID	Source	Comment regarding inclusion in initial CCID framework
6. How the CCI projects are determined, and whether community needs are considered in the process	GRI (2013:76)	**7. See Appendix B:#48; add and refine initial CCID framework**
7. Determination of CSI budget – defines how the company determines its annual CSI budget (e.g. percentage of NPAT, board discretion); describes the budget change since previous financial year and reasons for significant change; provides some indication of budget stability from year to year	Trialogue (2013)	**8. Refer to Appendix B:#1; Add and refine initial CCID framework**
8. Annual community involvement expenditure – provides total community involvement expenditure figure for the financial year	GRI (2013:48); Trialogue (2013); CECP (2010)	**9. Included on basis of the inclusion criteria, also refer to Appendix B: #8**
9. Describes expenditure relative to the SED target on the BEE scorecard; explains discrepancies between budget and actual expenditure, or leads/lags in expenditure relative to budget	Trialogue (2013)	**10. See Appendix B:#20 and 1; add and refine initial CCID framework**
10. Breakdown of CCI expenditure:		**11. Combined and included on basis of inclusion criteria**
*Cash and non-cash contributions	CECP (2010)	
*Employee secondments, gifts in kind and payroll giving	JSE (2014); CECP (2010)	
*Monetary value of charitable giving	JSE(2014)	
*Provides percentage breakdown of how community involvement funding is allocated by development focus area, by province and for each project	Trialogue (2013)	**12. See Appendix B: #3,4,31 and 33, add and refine initial CCID framework**
11. Major projects supported:		
11.1 Total inventory of projects supported: Lists the major projects supported	Trialogue (2013)	**13. See Appendix B: #31, add and refine initial CCID framework**
11. 2 States the nature and quantum of support (cash, gifts in kind, employee secondments, other resources, time)	Trialogue (2013); CECP (2010)	**14. Included on basis of inclusion criteria; also see Appendix B #33, add and refine initial CCID framework**
11.3 Identifies and describes the project partners	JSE (2014); Trialogue (2013)	
11.4 Provides details of geographic location for each major project	Trialogue (2013)	**15. See Appendix B: #34, add and refine initial CCID framework**

Identified CCID	Source	Comment regarding inclusion in initial CCID framework
11.5 Gives details about beneficiaries for each major project	Trialogue (2013)	**16. See Appendix B: #30, add and refine initial CCID framework**
12. Project objectives and inputs:		
12.1 Sets out overall objectives and time-bound targets for major projects (project timeline)	Trialogue (2013)	**17. See Appendix B:#40, 35; add and refine initial CCID framework**
12.2 Provides details of inputs for described projects	JSE (2014); Trialogue (2013)	**18. Included on basis of inclusion criteria, See Appendix B:# 36; add and refine initial CCID framework**
12.3 Provides a sense of anticipated return on social investment	Trialogue (2013)	**19. See Appendix B:#25 and 26; add and refine initial CCID framework**
12.4 Provides evidence of thinking about project sustainability	Trialogue (2013)	**20. Not included on basis of inclusion criteria**
13. Project outputs and performance:		**21. Included on basis of inclusion criteria, See Appendix B:#40, 35; add and refine initial CCID framework**
13.1 Provides qualitative narrative about ongoing performance of major projects	Trialogue (2013); CECP (2010)	
13.2 Provides details of key outputs of main projects; describes ongoing performance against targets during the reporting period; describes challenges, lessons learned and how lessons are being addressed	Trialogue (2013)	**22. See Appendix B:#39 and 47; add and refine initial CCID framework**
14. Formal project impact assessment:		**23. Included on basis of inclusion criteria, See Appendix B:#25,26, 58, 59 and 60; add and refine initial CCID framework**
14.1 Provides evidence of regular monitoring, evaluation of effectiveness of initiatives and impact assessment	Trialogue (2013); Next generation (2017); PSI (2000)	
14.2 Describes CCI indicators and data measurement tools	Trialogue (2013); Next generation (2017)	**24. Included on basis of inclusion criteria**
14.3 Provides quantitative results for each evaluated project	Trialogue (2013); CECP (2010)	**25. Included on basis of inclusion criteria. See Appendix B:#25 and 39; add and refine initial CCID framework**
15. HIV-specific community involvement projects:	JSE (2014)	**26. Not included as a specific disclosure item; see decision rules, table 6.3**
*Sponsorship of/support for community based prevention, education and awareness programmes		

Identified CCID	Source	Comment regarding inclusion in initial CCID framework
*Sponsorship of/support for community based treatment, care and support		
16. Benefits of CCI Employee engagement effect, quantitative value saved on retention; value of increased employee engagement score	CECP (2010)	**27. See Appendix B:#14[64]**
Brand reputation effect, value of increased views or impressions, value, internal measure of brand value	CECP (2010)	
Increased revenue or reduced expenditure: sales driven by new market access; saved in mitigated risks	CECP (2010)	
17. External assurance Indicates whether the report has been assured and the scope of external assurance; assesses what specific aspects of the community involvement programme are assured (e.g. quantum of money spent, how the funds are applied, number of beneficiaries); explains the relationship between the company and the assurance provider	Trialogue (2013)	**28. See Appendix B:#13; add and refine initial CCID framework**

[64] The reporting items pertaining to the creation of business value through CCI are closely related to a disclosure item identified in the content analysis (section 6.3.2). This disclosure item indicates that organisations disclose the benefits arising from CCI activities. The aim of disclosed benefits aim was to improve organisation- or country-related conditions and were mostly a general qualitative description. Both disclosure items relate to the same disclosure theme, which is to disclose benefits for the organisation arising from CCI projects, although one remains qualitative and the other suggests the disclosed quantification of the related benefits. Based on the common disclosure theme, these related disclosure items were included in the initial CCID framework.

APPENDIX D:
INITIAL CCID FRAMEWORK BEFORE THE PRE-CONSULTATION PROCESS

This table presents the combination of CCID items from the content and document analysis (see Appendices B and C).

General categories	Specific disclosure items	Disclosure indicators	Source
1. CCI within the organisation	1. Business rationale for CCI: Demonstrates whether the company understands CCI and has a business case for it	*Statement by company senior management, CEO or chairperson that describes the relevance of CCI to the industry sector, the company, and its long-term success *Explains what CCI is and how it relates to business strategy	Appendix B:#17 and #24; Appendix C: Trialogue (2013); CECP (2010)
	2. The organisation understands the potential financial impact on communities (social impact assessment)		Appendix C: GRI (2013:76); JSE (2014)
	3. A specific board committee with explicit oversight responsibility for CCI activities and disclosures	* Size and structure of function/department/ foundation responsible for CCI, reporting lines and any significant changes	Appendix B: #45 and #7; Appendix C: Trialogue (2013)
2. CCI strategy	4. Defines and explains the organisation's CCI policy/approach or adherence to regulatory guidance	* Provides a rationale for the applicable CCI focus and geographical areas	Appendix B:#51 and #58; Appendix C: Trialogue (2013)
	5. Identifies community stakeholder groups and provides details of the nature of engagement and communication with each community stakeholder group	* Describes how the company has responded to key issues raised by community stakeholder groups (e.g. beneficiaries, NPOs, civil society, community groups)	Appendix B:#48; Appendix C: Trialogue (2013); GRI (2013:76)
3. Annual CCI expenditure	6. Defines how the organisation determines its annual CCI budget.	*Indication of budget (e.g. percentage of NPAT, board discretion) stability from year to year *Discusses any significant changes from the previous financial year	Appendix B:#1; Appendix C: Trialogue (2013)

General categories	Specific disclosure items	Disclosure indicators	Source
	7. Provides total annual CCI expenditure figure for the financial year (comparative figures)		Appendix B:#2 and #8; Appendix C: GRI (2013:48); Trialogue (2013); CECP (2010)
	8. Provides percentage/monetary breakdown of annual CCI expenditure according to the categories	*Category of CCI includes, for example, education, health, arts and culture, community upliftment, etc.	Appendix B:#3; Appendix C: Trialogue (2013)
	9. Provides percentage/monetary breakdown of annual CCI expenditure for each geographical area or business segment as most appropriate		Appendix B:#4; Appendix C: Trialogue (2013)
	10. Provides annual nature of CCI expenditure breakdown	*Cash and non-cash contributions *Monetary value of charitable giving *Employee secondments, gifts in kind and payroll giving	Appendix C: CECP (2010); JSE(2014)
	11. Provides a periodic overview of the organisation's annual CCI expenditure (any significant events or outputs achieved)	*Includes quantitative/monetary value for project period	Appendix B:#6
	12. Provides a qualitative overview of CCI objectives for financial year		Appendix B:#7
4. CCI projects	13. Provides an inventory of all major CCI projects for the financial year.	*Includes quantitative /monetary investments	Appendix B:#41; Appendix C: Trialogue (2013)
	14. For all major CCI projects supported: 14.1 Provides a qualitative description of all major CCI projects	*General description, project objectives and lists specifics if applicable	Appendix B: #41; Appendix C: JSE (2014); Trialogue (2013)
	14.2 Provides monetary value invested for each CCI project (comparative figures if applicable)		Appendix B: #31; Appendix C: Trialogue (2013)

General categories	Specific disclosure items	Disclosure indicators	Source
	14.3 States the nature of support	*Donations, sponsorships, gifts in kind, employee secondment, employee giving, other resources, partnership details	Appendix B: #33; Appendix C: Trialogue (2013); CECP (2010); JSE (2014)
	14.4 Provides details of geographic location for each major project		Appendix D: #34; Appendix C: Trialogue (2013)
	14.5 Provides details of beneficiaries for each major project		Appendix B: #30; Appendix C: Trialogue (2013)
	14.6 Reports on the status of the project (includes periodic project overview, project timeline or future specifics)		Appendix B: #40,#35,#32; Appendix C: Trialogue (2013); CECP (2010)
	14.7 Provides details of key outputs of main projects	*Quantitative and qualitative *Assessed performance against targets *Describes challenges, lessons learned and how lessons are being addressed	Appendix B: #39 and #47; Appendix C: Trialogue (2013); CECP (2010)
	15. Provides anticipated return on social investment or how performance results in meeting the return on expectations set against CCI strategy		Appendix B: #26; Appendix C: Trialogue (2013)
	16. Formal project impact assessment: 16.1 Provides evidence of regular CCI project monitoring, evaluation and impact assessment		Appendix B:#25; Appendix C: Trialogue (2013); Next generation (2017)
	16.2 Describes CCI indicators and data measurement tools		Appendix C: Trialogue (2013); Next generation (2017)
5. Other relevant regulatory measures	17. Describes CCI expenditure relative to the socio-economic development (SED) target on the BEE scorecard	* Explains discrepancies between budget and actual expenditure or leads/lags in expenditure relative to budget.	Appendix B:#20; Appendix C: Trialogue (2013)

General categories	Specific disclosure items	Disclosure indicators	Source
	18. Describes CCI expenditure in relation to the enterprise and supplier development target on the BEE scorecard	* Explains discrepancies between budget and actual expenditure or leads/lags in expenditure relative to budget.	Appendix B: #20
6. CCI benefits/ business value creation	19. The organisation describes benefits arising from CCI projects that impact the organisation and country positively. A qualitative narrative is presented		Appendix B:#14; section 6.4
	20. The organisation quantifies the benefits flowing from its CCI projects.	Measures include: * Employee engagement effect, quantitative value saved on retention and/or value of increased employee engagement score * Brand reputation effect, value of increased views or impressions, value, internal measure of brand value * Increased revenue or reduced expenditure: sales driven by new market access and/or saved in mitigated risks	Appendix C: CECP (2010); section 6.4
7. Assurance of CCI reporting	21. Indicates whether the report has been assured and the scope of external assurance	*Specific aspects of the CCI programme that are assured (e.g. quantum of money spent, how the funds are applied, number of beneficiaries) *Explains the relationship between the company and the assurance provider	Appendix B: #13; Appendix C: Trialogue (2013)
8. Physical evidence	22. Organisation discloses any achievements, external recognition obtained in relation to CCI 23. Organisation provides photographic evidence of CCI initiatives		Appendix B:#44 Appendix B:#27

General categories	Specific disclosure items	Disclosure indicators	Source
9. Corporate webpage (CW) reporting additions	24. The organisation provides a link to its CCI application form/process, if available		Appendix B: CW#12
	25. The organisation provides contact information of CCI representative on its CW		Appendix B: CW#15
	26. The organisation discloses the beneficiary criteria of applicable CCI projects on its CW		Appendix B: CW#29; Appendix C: Trialogue (2013)
	27. The organisation demonstrates its impact from CCI projects on the lives of the beneficiaries by disclosing a beneficiary statement/thank you notes or beneficiary storytelling extracts		Appendix B: CW#43

APPENDIX E:
ETHICAL CLEARANCE CERTIFICATE

UNISA university of south africa

UNISA COLLEGE OF ACCOUNTING SCIENCES ETHICS REVIEW COMMITTEE

Date 2017-08-22

Dear Ms C van der Merwe

ERC Reference: 2017_CAS_037
Name: Ms C van der Merwe
Student/ Staff #: 90173554

Decision: Ethics Approval from 2017-08-22 to 2022-08-21

Main researcher: **Ms C van der Merwe**
vdmercm@unisa.ac.za

Working title of research:

Corporate Community Involvement Disclosures: Evidence from South Africa

Qualification: Postgraduate research

Thank you for the application for research ethics clearance by the Unisa College of Accounting Sciences Research Ethics Review Committee for the above mentioned research. Ethics approval is granted for the period indicated above.

The application was reviewed by the College of Accounting Sciences Research Ethics Review Committee on 22 August 2017 in compliance with the Unisa Policy on Research Ethics and the Standard Operating Procedure on Research Ethics Risk Assessment, and approved.

The proposed research may now commence with the provisions that:

1. The researcher(s) will ensure that the research project adheres to the values and principles expressed in the UNISA Policy on Research Ethics.
2. Any adverse circumstance arising in the undertaking of the research project that is relevant to the ethicality of the study should be communicated in writing to the College of Accounting Sciences Research Ethics Review Committee.
3. The researcher(s) will conduct the study according to the methods and procedures set out in the approved application.

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4. Any changes that can affect the study-related risks for the research participants, particularly in terms of assurances made with regards to the protection of participants' privacy and the confidentiality of the data, should be reported to the Committee in writing, accompanied by a progress report.
5. The researcher will ensure that the research project adheres to any applicable national legislation, professional codes of conduct, institutional guidelines and scientific standards relevant to the specific field of study. Adherence to the following South African legislation is important, if applicable: Protection of Personal Information Act, no 4 of 2013; Children's act no 38 of 2005 and the National Health Act, no 61 of 2003.
6. Only de-identified research data may be used for secondary research purposes in future on condition that the research objectives are similar to those of the original research. Secondary use of identifiable human research data require additional ethics clearance.
7. No field work activities may continue after the expiry date of this certificate.

Note:

The reference number of this certificate should be clearly indicated on all forms of communication with the intended research participants, as well as with the Committee.

Yours sincerely,

Ms L Grebe
Chair of CAS RERC
E-mail: grebel@unisa.ac.za
Tel: 012 429 4994

Prof E Sadler
Executive Dean CAS

URERC 25.04.17 - Decision template (V2) - Approve

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APPENDIX F:
INVITATION LETTER TO INTERVIEWEES (COVERING LETTER)

The interview guide (Appendix H) and the UNISA prescribed letter of consent were attached to this invitation email.

INVITATION LETTER TO PARTICIPATE IN A RESEARCH PROJECT

Dear …………………..,

I am currently enrolled for my Doctor of Philosophy in Accounting Sciences degree at the University of South Africa (Unisa). I would like to invite you to be a participant in my study. The purpose of the research is to develop a corporate community involvement disclosure (CCID) framework.

The purpose of the interview is to seek your opinion on the CCID items included in the initial CCID framework. The initial CCID framework was constructed on the basis of a thorough content analysis and literature review process. The opinions of all the interviewees will be combined and incorporated in the framework. It is envisaged that each interview will take approximately 45 to 60 minutes to complete. Depending on the interviewee's preference, interviews may be conducted telephonically, face to face, via Skype and/or email correspondence.

Please find attached the consent letter and interview guide containing additional information relating to this study. Please familiarise yourself with the information before committing to be involved with this research. I would like to emphasise that the utmost care will be taken to ensure information is kept confidential throughout and after the research process. If you have any questions about this project, you are welcome to contact Mrs Cara van der Merwe at vdmercm@unisa.ac.za or Professor H.C. Wingard (supervisor) at wingahc@unisa.ac.za or Professor J.G. Samkin (co-supervisor) at grant.samkin@waikato.ac.nz.

If you would like to be part of this study, please contact me by return email in order to schedule an appointment for the interview.

Thank you for your assistance in this important endeavour.

Sincerely yours,

Cara

Cara van der Merwe
Senior Lecturer
Department of Financial Accounting
College of Accounting Sciences
University of South Africa
Cell: 082 777 6835
Email: vdmercm@unisa.ac.za

APPENDIX G:
INTERVIEWEE LIST (CCI EXPERT PROFILES)

#	Interviewee		Category	Designation	Interview option
1	**A**	**Expert**	Researcher/academic	Integrated reporting specialist	Face-to-face
2	**B***	**Expert**	Researcher/academic	Sustainability and CSR researcher	Skype
3	**C**	**User**	NPO	Founder and executive director of NPO	Telephone
4	**D**	**Expert**	Service provider: Assurance	Sustainability reporting manager	Telephone
5	**E**	**Preparer**	Corporate manager responsible for CCID	Risk sustainability manager	Email and telephonic correspondence
6	**F***	**User**	NPO	Chief financial officer at NPO	Face-to-face
7	**G**	**Preparer**	Corporate manager responsible for CCID	Corporate social investment officer	Telephone
8	**H**	**Preparer**	Corporate manager responsible for CCID	Transformation specialist	Email and telephonic correspondence
9	**I**	**Preparer**	Corporate manager responsible for CCID	Communications: CSI manager	Face-to-face
10	**J**	**User**	NPO	Fundraising and sponsorships	Face-to-face
11	**K***	**Expert**	Service provider: Assurance	Audit partner: Sustainability reporting	Face-to-face
12	**L***	**Preparer**	Corporate manager responsible for CCID	Group policy, advocacy and sustainability	Face-to-face
13	**M**	**Preparer**	Corporate manager responsible for CCID	Corporate social investment manager	Face-to-face
14	**N***	**Preparer**	Corporate manager responsible for CCID	Principal integrated reporting manager	Face-to-face
15	**O***	**Expert**	Service provider: Assurance	Sustainability reporting manager	Email and telephonic correspondence
16	**P**	**User**	ESG analyst	Director at ESG consultancy firm	Skype
17	**Q**	**Preparer**	Corporate manager responsible for CCID	Group sustainability reporting manager	Skype
18	**R**	**Expert**	Service provider: CSI consultant	Director	Face-to-face
19	**S***	**Expert**	Independent non-executive director	Independent non-executive director	Face-to-face
20	**T***	**Preparer**	Corporate manager responsible for IR	Financial manager	Email and telephonic correspondence
21	**U**	**Preparer**	Corporate manager responsible for CCID	Social program coordinator	Telephone
22	**V**	**Expert**	CSR researcher and corporate manager responsible for SR	Head of development partnerships	Face-to-face
23	**W**	**Expert**	Service provider: SR/CSR consultant	Director	Skype
24	**X**	**Expert**	Service provider: CSI consultant	Social investment business liaison	Skype
25	**Y**	**Preparer**	Corporate manager responsible for SR/CCID	Community development specialist: Governance	Telephone
26	**Z**	**Expert**	Independent non-executive director	Independent non-executive director	Face-to-face
27	**AA**	**Expert**	Governing body (previous SR assurance	Project director: Integrated reporting	Face-to-face

#	Interviewee		Category	Designation	Interview option
			experience)		
28	**BB***	**Expert**	Service provider: Assurance	Assurance: Partner	Email and telephonic correspondence
29	**CC**	**User**	NPO	Director and fundraising	Face-to-face
30	**DD**	**Preparer**	Corporate manager responsible for CCID	Senior manager: Corporate affairs	Email and telephonic correspondence

*Interviewees who participated in the follow-up validation interviews (see sections 5.4.2.2(d) and 7.3.4).

APPENDIX H:
INTERVIEW GUIDE

CORPORATE COMMUNITY INVOLVEMENT DISCLOSURE FRAMEWORK
THE INTERVIEW

Introduction

This study relates to corporate community involvement disclosures (CCID), a component of non-financial disclosures presented in the integrated and sustainability reports of JSE-listed entities. Owing to the absence of regulatory guidance on CCID, this study attempts to develop a CCID framework to guide corporate community involvement (CCI) reporting. The study further aims to examine the extent and quality of CCID in South Africa.

The aim of an integrated report is to present in a concise manner who the organisation is, what it does and how it creates value. The integrated report reports on the organisation's financial performance and endeavours to show how the organisation integrates environmental and social thinking into its business. The sustainability report (or equivalent document) refers to the organisation's approach to manage key social and environmental issues and is often presented as a supplementary document to the integrated report.

What is CCI?

CCI goes beyond donations to charities or corporate giving. It includes the commitment of time and other company resources such as money, skills and expertise to community projects and developments. CCI activities include, but are not limited to, art and culture initiatives, housing, the environment, poverty eradication, health and wellbeing, welfare and general improvements in the quality of life of the community in which the company operates.

In South Africa, CCI commonly includes/is referred to as, corporate social investment (CSI), community spend, community investments, social investment spend, community development programmes, corporate social responsibility and so on.

Purpose of the research

The purpose of the research is to develop a CCID framework. Since no CCID framework exists, the initial CCID framework will be constructed on the basis of a thorough content analysis and literature review process. The opinions of all the interviewees will be combined and incorporated into the new framework.

Interviews

By incorporating your opinion on CCI reporting into the framework, I will endeavour to meet the CCI reporting needs of stakeholders**. The objective of the interview is to seek your opinion on the specific CCID items included in the CCID framework.** Depending on the interviewee's preference, interviews may be conducted telephonically, face to face, or via Skype or email. It is envisaged that each interview will take approximately 45 to 60 minutes to complete.

Instructions
Three sections are provided below.

Section A: The CCID framework (see table below)
Section B: CCID discussion questions
Section C: CCID presentation formats

Section A: The CCID framework
The table consists three categories, namely General categories (column a), Specific disclosure item(s) per category (column b) and Disclosure indicators per item (column c). Please rate the specific disclosure items (column b) in the rating per item column (column d). Indicate your opinion of the importance of each disclosure item in the list by applying the five-point Likert rating scale.

0 = Should not be disclosed
1 = Should be disclosed but is of minor importance
2 = Intermediate importance
3 = Should be disclosed and is very important
4 = It is essential to disclose this item

In addition to the rating per item, please select the most appropriate disclosure medium per disclosure item, where

IR = integrated report
SR = sustainability report or equivalent document
CW = corporate webpage
O = other – please elaborate if the "other" option is selected.

The list of specific disclosure items (column b) per category is intended for corporate reporting purposes, whereas the disclosure indicators (column c) provide further guidance to assess the quality of the specific disclosure items where applicable.

Example: If you are of the opinion that the specific disclosure item in column (b), namely item 2. "*The organisation understands its potential social impact on communities*", should be disclosed and it is a very important disclosure item, use rating number 3 in column (d), and if the specific disclosure item should be disclosed in the sustainability report, use SR in column (e). You may also provide further comments in the space provided below each item as required.

Section A: The CCID framework

General categories (a)	Specific disclosure items (b)	Disclosure indicators (c)	Rating per item (d) (use Likert scale 0 – 4)	Disclosure medium (e) (use IR;SR;CW or O)
1. CCI within the organisation	1. Business rationale for CCI: Demonstrates whether the company understands CCI and has a business case for it.	*Statement by company senior management, CEO or chairperson of the board that describes the relevance of CCI to the industry sector/the company, and its long-term success. *Explains what CCI is and how it relates to its business strategy.		
	Comments:			
	2. The organisation understands its potential social impact on communities.	*Lists operations with implemented local community engagement, social impact assessments, and development programmes.		
	Comments:			
	3. A specific board committee with explicit oversight and responsibility for CCI activities and disclosures.	*Size and structure of function/department/foundation responsible for CCI, reporting lines and reporting on any significant changes.		
	Comments:			
2. CCI strategy	4. Definition and explanation of the organisation's CCI policy/approach or adherence to regulatory guidance.	*Provides a rationale for the applicable CCI focus area (e.g. reasons for selected CCI categories and geographical areas).		
	Comments:			

Section A: The CCID framework (continued)

<table>
<tr><th>General categories (a)</th><th>Specific disclosure items (b)</th><th>Disclosure indicators (c)</th><th>Rating per item (d) (use Likert scale 0 – 4)</th><th>Disclosure medium (e) (use IR;SR;CW or O)</th></tr>
<tr><td rowspan="6">2. CCI strategy</td><td>5. Provides a qualitative overview of CCI objectives for financial year.</td><td></td><td></td><td></td></tr>
<tr><td colspan="4">Comments:</td></tr>
<tr><td>6. Provides an overview of the organisations CCI expenditure over the last few years (any significant events or highlights).</td><td>*Includes qualitative and quantitative information on CCI for last few years.
*Explains significant changes/strategic shifts regarding CCI focus categories/geographical areas over the time.</td><td></td><td></td></tr>
<tr><td colspan="4">Comments:</td></tr>
<tr><td>7. Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group.</td><td>*Community stakeholder groups include, for example, beneficiaries of CCI projects, non-profit organisations, civil society, other community groups.
*Describes how the company has responded to key issues raised by community stakeholder groups/grievance processes.</td><td></td><td></td></tr>
<tr><td colspan="4">Comments:</td></tr>
</table>

Section A: The CCID framework (continued)

General categories (a)	Specific disclosure items (b)	Disclosure indicators (c)	Rating per item (d) (use Likert scale 0 – 4)	Disclosure medium (e) (use IR;SR;CW or O)
3. Annual CCI expenditure	8. Definition on how the organisation determines its annual CCI budget.	*Indication of budget (e.g. percentage of net profit after tax, board discretion). *Stability from year to year. *Discuss any significant changes from the previous financial year.		
	Comments:			
	9. Provides total annual CCI expenditure figure for the financial year (with comparative figures).			
	Comments:			
	10. Provides percentage/monetary breakdown of annual CCI expenditure for each category.	*Categories of CCI include, for example, education, arts and culture, health, community upliftment, etc.		
	Comments:			
	11. Provides percentage/monetary breakdown of annual CCI expenditure for each geographical area or business segment as most appropriate.			
	Comments:			
	12. Provides nature of annual CCI expenditure breakdown.	*Cash and non-cash contributions (e.g. assets, time/skills transfer/gifts in kind). *Monetary value of charitable giving. *Employee secondments and payroll giving.		
	Comments:			

Section A: The CCID framework (continued)

General categories (a)	**Specific disclosure items (b)**	**Disclosure indicators (c)**	**Rating per item (d) (use Likert scale 0 – 4)**	**Disclosure medium (e) (use IR;SR;CW or O)**
4. CCI projects	13. An inventory of all major CCI projects supported disclosing the following:			
	13.1 Provides a qualitative description of all major CCI projects.	*General description, project objectives and list specifics if applicable.		
	Comments:			
	13.2 Provides the monetary value invested for each major CCI project (comparative figures if applicable).			
	Comments:			
	13.3 States the nature of support provided.	*Donations, sponsorships, gifts in kind, employee time/secondments, employee giving, other company resources, partnership details.		
	Comments:			
	13.4 Provides details of geographic location for each major project.			
	Comments:			
	13.5 Provides details of beneficiaries for each major project.			
	Comments:			
	13.6 Reports on the status of the major projects, including project overview with project timeline or future prospects.			
	Comments:			

Section A: The CCID framework (continued)

General categories (a)	Specific disclosure items (b)	Disclosure indicators (c)	Rating per item (d) (use Likert scale 0 – 4)	Disclosure medium (e) (use IR;SR;CW or O)
4. CCI projects	13.7 Provides details of key outputs/outcomes for each major project.	*Quantitative and qualitative information *Assess performance against targets		
	Comments:			
	14. Description of formal project impact assessments.	*Provides evidence of regular CCI project monitoring, evaluation and impact assessment. *Description of CCI indicators and data measurement tools.		
	Comments:			
	15. Indicates how performance results in meeting the return on expectation set against CCI strategy.	*Provides a sense of anticipated return on investment. *Provides where possible quantitative results per evaluated project. *Describes challenges, lesson learned and how lessons are being addressed		
	Comments:			

Section A: The CCID framework (continued)

General categories (a)	Specific disclosure items (b)	Disclosure indicators (c)	Rating per item (d) (use Likert scale 0 – 4)	Disclosure medium (e) (use IR;SR;CW or O)
5. Relevant regulatory measures	16. Description of CCI expenditure relative to the socio-economic development (SED) target on the BEE scorecard.	*Explain discrepancies between budget and actual expenditure, or leads/lags in expenditure relative to budget.		
	Comments:			
	17. Description of CCI expenditure in relation to the enterprise and supplier development target on the BEE scorecard.			
	Comments:			

Section A: The CCID framework (continued)

6. CCI benefits/ business value creation	18. Description of benefits arising from CCI projects that affect the organisation and/or the country positively.	*A qualitative narrative is presented. *Descriptions can be in general relating to all CCI projects or per specific project.		
	Comments:			
	19. A quantification of the benefits flowing from the organisation's CCI projects.	Measures include: *Employee engagement effect: Quantitative value saved on retention and/or value of increased employee engagement score. *Brand reputation effect: Value of increased views or impressions, value, internal measure of brand value. *Increased revenue/reduced expenditure: Sales driven by new market access and/or saved in mitigated risks.		
	Comments:			
7. Assurance of CCI reporting	20. An indication of whether the CCI information has been assured and the scope of external assurance provided.	*Specific aspects of the CCI programme that are assured (e.g. quantum of money spent, how the funds are applied, number of beneficiaries). *Explain the relationship between the company and the assurance provider.		
	Comments:			

Section A: The CCID framework (continued)

8. Evidence	21. Actuality of CCI	*Photographs providing evidence of CCI activities. *Any achievements, external recognition obtained in relation to CCI activities.		
	Comments:			
9. Corporate webpage (CW) reporting additions	22. The organisation provides a link to its CCI application form/process, if available.			N/A as this section only relates to the CW.
	23. The organisation provides contact information of CCI representatives.			
	24. The organisation discloses the beneficiary criteria of applicable CCI projects.			
	25. The organisation demonstrates its impact from CCI projects on the lives of the beneficiaries by disclosing a beneficiary statement/thank you notes or beneficiary storytelling extracts.			
	Comments:			

Section B: Discussion questions

Please comment on each of the questions listed below

1. Would you like to include more disclosure items, which are currently not included in the above CCID framework? If so, please list them and elaborate on why you believe they should be included.

2. In your opinion, do you feel that the listed CCID items are credible, easy to understand and sufficient to meet stakeholder requirements? Please provide reasons.

3. In your opinion, should CCI reporting be standardised or benchmarked? Please provide reasons.

4. In your opinion, what are the current limitations of CCI reporting?

5. In your opinion, do you feel that CCI should be legislated? Please provide reasons.

Section C: Presentation format of CCID

Please indicate the importance, in your opinion, of each type of CCID presentation format listed below by applying the five-point Likert rating scale:

0 = Should not be disclosed
1 = Should be disclosed but is of minor importance
2 = Intermediate importance
3 = Should be disclosed and is very important
4 = It is essential to disclose this item

Presentation format of CCID	Rating (Likert scale 0 – 4)	Comments if applicable
Narrative disclosures (e.g. descriptions, explanations, stories, qualitative reports)		
Quantitative information, including monetary values or percentages (e.g. rand values, amounts, quantities)		
Table form (information provided in tabular format)		
Figures and graphs (information provided graphically)		
Photographs (photographs of CCI engagements)		

APPENDIX I:
USING THE TELEPHONE IN QUALITATIVE RESEARCH (AN APPLICATION)

During research stage 2, telephonic interviews were conducted in accordance with the guidance provided by Farooq and De Villiers (2017). Farooq and De Villiers (2017:24) presented strategies for qualitative telephonic interviews, which include actions before, during and after the interview, which were applied in this study. The table indicates the required strategies and application thereof in this study.

#	Strategy	Discussion	Application in this thesis
Before the interview			
1	The interview guide	A good interview guide helps in building rapport.	✔, see Appendix H
		Test the guide on a team member or colleague.	✔, see section 6.5
		After conducting a number of interviews, review and revise the guide if necessary.	✔, see section 6.5
2	Recruiting participants	Tailor your recruitment approach.	✔, see section 5.4.2.2 (c)
		Cold calling is effective if the research is not on a personally sensitive issue.	✔, see sections 5.4.2.2 (c) and 7.2
		Maintain a call log.	✔, see section 7.2
3	Pre-interview telephonic conversation	Sell the research project and immediately address concerns.	✔, see section 7.2
		Build rapport and create interest.	✔, see section 7.2
		The interview style	✔, see section 7.2
4	Email communication	Provide all participants with an email invitation.	✔, see section 5.4.2.2 (c) and Appendix F
		Email a participant information sheet and a consent form.	✔, see sections 5.4.2.2 (c) and 7.2
		Maintain a record of email communication with participants for later use.	✔, see Appendix F
5	Negotiating interview time	Negotiate with interviewees for more time.	✔, see Appendix F
		Be flexible and offer to conduct the interview when the participant is free.	✔, see Appendix F
6	Setting up the equipment	Telephonic interviews	✔, see Appendix F
		Computer-based interviews	✔, see Appendix F
7	The interview location and environment	Let interviewees select their preferred environment.	✔, see Appendix F
		Make sure you are comfortable, the room is quiet and free from interruption.	✔
		Make sure that the interviewee is ready to proceed or offer to	✔

#	Strategy	Discussion	Application in this thesis
Before the interview			
		reschedule to another date.	
		Be ready for disruptions and dropped calls when interviewing participants who are commuting from work to home during the interview.	✔
8	Interview material	Avoid emailing too much material before the interview as this makes the interview appear more time consuming and could scare off participants.	✔ , see Appendix F and H
		Communicate a broad outline of the interview questions/topics and allow the participant to prepare accordingly.	✔ , see Appendices F and H
9	Scheduling of interviews	Allow participants to set a date and time that they prefer.	✔ , see Appendix F
		Consider international time differences.	✔ , see Appendix F
		Be ready to organise your schedule to suit that of your participants.	✔
10	Data organisation	Allocate a code number to the interview.	✔ , see Appendix G
		Prepare an Excel file to summarise the details of each interview.	✔
During the interview			
1	Use an introductory script	Consider using an introductory script at the start of the interview.	✔ , see Appendices F and H
2	Adopt a conversational style	Read questions in a conversational tone.	✔
		Be friendly yet professional.	✔
		Be respectful, courteous and unbiased.	✔
3	Use the interview guide in a flexible manner	The interview guide is to be used in a loose flexible manner.	✔ , see Appendix H
4	Communicating without visual cues	Listen carefully.	✔
		Articulate questions clearly	✔
		Provide feedback and sound interested	✔
		Communicating presence	✔
		Take notes but remember to focus on listening	✔
5	Start, middle and end	Probe, rephrase and politely persist with your probes	✔
		End on a positive note	✔
6	Seeking commonalities for the naive listener	Some interviewers prefer to highlight commonalities and share their own personal experiences in order to build rapport	✔

#	Strategy	Discussion	Application in this thesis
Before the interview			
		Others prefer to present themselves as a naive listener	✔
7	Interviews cut short	Phone back	✔
8	Providing comfort to interviewees	Follow university guidelines and seek ethical approval for the research	✔ , see Appendix E
		Provide comfort to interviewees and convey compassion and empathy	✔
		Provide the contact details of counsellors before and after the interview	✔ , see Appendix F
After the interview			
1	Immediately after the interview	Save the audio recording, delete the recording from the recorder and prepare a backup stored safely or password protected or encrypted	✔ , see sections 5.4.2.2 (c) and 7.2
		Review and complete your interview notes	✔ , see sections 5.4.2.2 (c) and 7.2
		Reflect on the interview to assess how it can be improved. This relates to both the interview guide and the interview conversation	✔
2	Transcription, analysis and findings	Share the research findings with participants	
		Allocate sufficient time	

✔ Applied strategy before, during or after interview.

APPENDIX J:
FOLLOW-UP CONFIRMATION EMAIL EXAMPLE

Dear …………………..,

I hope you are doing well?

I have completed all my interviews and I am in the process of finalising my interview findings on the corporate community involvement disclosures (CCID) framework. The research interview we had during March refers, and I would appreciate your answer/confirmation to the following:

As part of section B, question 1 of the interview (please find attached if required), you mentioned that *there should perhaps be a link to the real social needs. So in terms of rather than just benefits or impacts or outcomes, I think it will be good to link those to what the needs that are identified are, and how those need to be linked to perhaps national or global imperatives, such as those defined in the sustainable development goals, and disclosures relating to the effect/impact of CCI has on society*, and that these items could be added as additional disclosure items to the CCID framework.

Other interviewees provided similar answers to your additional disclosure item answers and comments made, so I have grouped this disclosure item with the other interviewees' responses in the following two specific disclosure categories (see the details in the table below):

General category	Specific disclosure item	Disclosure indicator	Rating per item (use Likert scale 1 – 4)	Disclosure medium (use IR;SR;CW or O)
CCI strategy	Whether CCI is linked to real social needs	*A description pertaining to how the social needs of the community were identified *Alignment to the macro/transformation goals of the country		
CCI project	Provides details of project impact outcomes	*Quantitative/qualitative information relating to the impact of the specific CCID project *Focus should be on the impact of the investment and not on the expenditure of the project *Disclosure on the effect on society *Impact should be stated, which can include failures		

Please indicate in a return email whether you agree to the grouping of your answer to these

disclosure items, and if so, please indicate your opinion of the importance of this additional disclosure item by applying the Likert scale:
1 = Should be disclosed but is of minor importance
2 = Intermediate importance
3 = Should be disclosed and is very important
4 = It is essential to disclose this item

Please also indicate the most appropriate disclosure medium pertaining to this disclosure item, which includes the integrated report (IR), sustainability report (SR), corporate webpage (CW) or other (O).

Once again, thank you for your assistance in this regard, I truly appreciate it.

Please do not hesitate to contact me at any time if required.
Hope you have a lovely day.

Kind regards,
Cara

Cara van der Merwe
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APPENDIX K:
VALIDATION OF CCID FRAMEWORK – INVITATION LETTER TO INTERVIEWEES

Dear …………………..,

The research interview earlier this year on the development of a "corporate community involvement disclosure (CCID)" framework as part of my PhD thesis refers. I have combined your and the other participants' comments and inputs as discussed, and I would appreciate your feedback on the final proposed CCID framework (please see attached).

Please contact me telephonically or by return email to schedule a telephone or Skype interview, where the questions listed below will be discussed. It is envisaged that each interview will take approximately 10 to 15 minutes to complete.

1. How far do you think that the proposed CCID framework goes towards addressing corporate community involvement (CCI) reporting in South Africa?
2. What factors would conspire against companies reporting on the basis of the proposed CCID framework?
3. Given the pressure of corporate reporting on JSE-listed entities and the extent of corporate disclosures presented to users:
    a. What corporate reporting medium should be used to disclose CCI? Why did you select this particular reporting medium?
    b. How often should CCI information be disclosed?
4. What is your overall impression of the proposed CCID framework?

Please find attached the proposed CCID framework. As previously indicated, I would like to emphasise that the utmost care will be taken to ensure that all information is kept confidential throughout and after the research process. If you have any questions about this project, you are welcome to contact Mrs Cara van der Merwe at vdmercm@unisa.ac.za, Professor H.C. Wingard (supervisor) at wingahc@unisa.ac.za or Professor J.G. Samkin (co-supervisor) at grant.samkin@waikato.ac.nz.

Once again, thank you for your assistance in this endeavour. I truly appreciate your contribution.

Sincerely yours,

Cara

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APPENDIX L:
FREQUENCY OF CCID (SENTENCES COUNTED) YEAR-ON-YEAR COMPARISON

This table presents the CCID sentences counted for the integrated report, sustainability report and corporate webpages.

CCID general category*	CCID items according to the CCID framework*	Integrated report sentences counted				Sustainability report sentences counted				Corporate webpages sentences counted**
		2015	2016	2017	Total	2015	2016	2017	Total	2017
1. CCI within the organisations	1. Business rationale for CCI: Demonstrates whether the company understands CCI and has a business case for it.	24	27	27	78	9	7	12	28	0
	2. The organisation understands its potential/direct social impact on communities.	8	12	10	30	28	24	18	70	7
	3.1 A specific board committee with explicit oversight and responsibility for CCI activities and disclosures.	28	21	25	74	10	10	3	23	2
	3.2 Management responsibilities relating to CCI activities and disclosures.	9	9	6	24	-	2	5	7	7
2. CCI strategy	4. Definition and explanation of the organisation's CCI policy/approach or adherence to regulatory guidance.	34	40	24	98	35	53	29	117	65
	5. Description of how the CCI strategy is embedded within the business/company strategy.	19	24	17	60	41	27	29	97	25
	6. Provides an overview of CCI objectives for the financial year.	65	83	71	219	71	70	99	240	20
	7. Description of how CCI is linked to the organisation's sustainability strategy.	8	8	8	24	15	11	11	37	50

CCID general category*	CCID items according to the CCID framework*	Integrated report sentences counted				Sustainability report sentences counted				Corporate webpages sentences counted**
		2015	2016	2017	Total	2015	2016	2017	Total	2017
	8. Indicates whether CCI is linked to real social needs.	14	15	22	51	36	34	26	96	73
	9. Provides an overview of the organisation's CCI expenditure over the last few years (any significant events or highlights).	35	19	39	93	58	45	83	186	20
	10. Identifies community stakeholder groups and provides details of the nature of communication and engagement with each community stakeholder group.	129	115	150	394	125	119	121	365	15
3. Annual CCI expenditure	11. Definition of how the organisation determines its annual CCI budget.	3	1	3	7	8	5	4	17	5
	12. Provides total annual CCI expenditure figure for the financial year (with comparative figures).	40	37	37	114	29	13	17	59	5
	13. Provides percentage/monetary breakdown of annual CCI expenditure per category.	3	6	6	15	19	13	20	52	5
	14. Provides percentage/monetary breakdown of annual CCI expenditure for each geographical area or business segment, as most appropriate.	29	25	19	73	15	16	14	45	5
	15. Provides nature of annual CCI expenditure breakdown.	-	-	2	2	2	3	1	6	8

CCID general category*	CCID items according to the CCID framework*	Integrated report sentences counted				Sustainability report sentences counted				Corporate webpages sentences counted**
		2015	2016	2017	Total	2015	2016	2017	Total	2017
4. CCI projects	16. An inventory of all major CCI projects supported disclosing the following:									
	16.1 Provides a qualitative description of all major CCI projects.	194	160	195	549	358	295	424	1077	371
	16.2 Indicates the monetary value invested for each major CCI project (comparative figures if applicable).	42	39	38	119	75	63	67	205	35
	16.3 States the nature of support provided.	54	37	59	150	85	64	91	240	79
	16.4 Provides details of the geographic location for each major project.	51	42	48	141	78	83	94	255	38
	16.5 Provides details of beneficiaries for major project.	47	55	44	146	53	28	51	132	76
	16.6 Reports on the status of the major projects, including project overview with project timeline or future prospects.	46	31	51	128	83	76	70	229	18
	16.7 Provides details of key outputs/outcomes for each major project.	83	78	80	241	142	101	143	386	57
	17. Provides details of project impact outcomes	11	15	19	45	13	14	29	56	23
	18. Description of formal project impact assessments.	19	2	4	25	26	12	33	71	9
	19. Indicates how performance results in meeting the return on expectation set against CCI strategy.	19	16	10	45	24	21	12	57	2

CCID general category*	CCID items according to the CCID framework*	Integrated report sentences counted				Sustainability report sentences counted				Corporate webpages sentences counted**
		2015	2016	2017	Total	2015	2016	2017	Total	2017
5. Relevant regulatory measures	20. Description of CCI expenditure relative to the socio-economic development (SED) target on the BEE scorecard.	3	1	1	5	2	1	-	3	1
	21. Description of CCI expenditure in relation to the enterprise and supplier development target on the BEE scorecard.	-	-	-	0	-	-	-	0	0
6. CCI benefits/business value creation	22. Description of benefits arising from CCI projects that affect the country positively.	-	2	3	5	2	5	3	10	11
	23. Description of benefits arising from CCI projects that affect the organisation positively.	1	2	2	5	-	3	-	3	0
7. Assurance of CCI reporting	24. An indication of whether the CCI information has been assured and the scope of external assurance provided.	7	10	2	19	19	14	1	34	0
8. Evidence	25. Actuality of CCI	17	10	17	44	31	52	37	120	95

CCID general category*	CCID items according to the CCID framework*	Integrated report sentences counted				Sustainability report sentences counted				Corporate webpages sentences counted**
		2015	2016	2017	Total	2015	2016	2017	Total	2017
9. Corporate webpage (CW) reporting additions	26. The organisation provides a link to its CCI application form/process, if available	Not applicable								36
	27. The organisation provides contact information of CCI representatives.	Not applicable								22
	28. The organisation discloses the beneficiary criteria of applicable CCI projects.	Not applicable								31
	29. The organisation demonstrates its impact from CCI projects on the lives of the beneficiaries by disclosing a beneficiary statement/thank you notes or beneficiary storytelling extracts.	Not applicable								21

** The CCID item numbering and maximum quality score according to the final refined CCID framework (see section 7.4).*