

# Cuadernos de economía



www.cude.es

# **ARTÍCULO**

# Does Social Responsibility Influence Business in the Development of Local Communities?

Kansilembo Aliamutu<sup>1\*</sup>, Kerry-Lee Gurr<sup>2</sup>

- <sup>1</sup> Department of Management Accounting, Faculty of Accounting and Informatics Durban University of Technology, South Africa. ORCID iD: <a href="https://orcid.org/0000-0003-3870-7549">https://orcid.org/0000-0003-3870-7549</a>, Email: <a href="mailto:freddyali6@gmail.com">freddyali6@gmail.com</a>
- <sup>2</sup> Department of Financial Accounting, School of Accounting, Economics and Finance, University of KwaZulu Natal, South Africa. ORCID iD: https://orcid.org/0000-0001-6773-4277, Email: Gurr@ukzn.ac.za

#### **Keywords:**

Social Responsibility, Local Communities, Business Influence, Sustainable Practices. Abstract: In contemporary society, the widespread adoption of Corporate Social Responsibility (CSR) has resulted in increasing societal expectations for organisations to be accountable for the environmental and social contexts in which they operate. This study seeks to explore the extent to which corporate social responsibility initiatives contribute to the sustainable development and enhancement of local communities. A quantitative research design was employed to gather primary data. Data collection was conducted in selected areas of Richards Bay, located in the northern region of KwaZulu-Natal. The sample comprised 129 community stakeholders. The reliability of the instrument yielded a Cronbach's alpha of 0.773, indicating satisfactory internal consistency. The findings demonstrate that a significant number of participants perceived multiple benefits stemming from corporate engagement with local communities. Among the reported positive outcomes were investments in social and technological innovation, capacity development, business and procurement opportunities, and job creation. However, the exploratory and quantitative nature of the research imposes certain constraints on the generalisability of the results. Caution is advised when extrapolating these findings, and further studies incorporating broader sample sizes and comparative perspectives from other provinces are recommended.

Author Correspondence: freddyali6@gmail.com

<sup>\*</sup>Corresponding Author Email: <a href="mailto:freddyali6@gmail.com">freddyali6@gmail.com</a>

#### Introduction

Across the country, communities have increasingly and consistently expressed dissatisfaction with government authorities and institutions through demonstrations, primarily in response to failures in delivering fundamental services such as housing, employment opportunities, access to clean water, and electricity (Masum, Aziz, & Hassan, 2020). A critical issue underpinning this unrest is the growing disparity between public expectations and governmental capacity to meet them (Voronkova et al., 2020). Consequently, enterprises engaging with communities are expected to act responsibly and collaborate in enhancing the quality of life for local populations (Purbawangsa et al., 2019). Given their substantial economic resources and influence across societal structures, businesses have a considerable impact on both communities and the environment. When operating with integrity while still pursuing profitability, firms can also generate positive societal outcomes (Mahmud, Ding, & Hasan, 2021). Organisations are thus encouraged to leverage their competitive strengths to advance collective well-being, including by facilitating equitable and secure employment for disadvantaged groups, investing in small and medium-sized enterprises (SMEs), and supporting social initiatives focused on women and educational institutions. These efforts may be undertaken independently or in partnership with government agencies, private sector entities, and civil society (Qiu et al., 2021).

To establish and maintain mining operations in Richards Bay, located in the northern part of KwaZulu-Natal, Richards Bay Minerals (RBM) has, over the past two decades, entered into agreements with communities whose land has been utilised for mining purposes (Vanclay, 2019). Despite these arrangements, the company has experienced tensions with residents from Mzingazi, Sokhulu, Kwambonambi, KwaDube, and Mkhwanazi. These local stakeholders have at times obstructed access to the mine's primary entrance, thereby disrupting operations (Shabbir & Wisdom, 2020). As a subsidiary of Rio Tinto, RBM extracts minerals such as rutile, zircon, and manganese from coastal dune systems adjacent to these communities.

According to Sadiq et al. (2021), community members have alleged that RBM has not fulfilled its commitment to prioritise local employment and regional development, particularly in relation to the agreement established in 2013. These concerns include perceived failures to deliver on CSR obligations related to health and education projects, support for small businesses, contractor engagement, and job creation (Barauskaite Streimikiene, 2020). RBM seeks to manage its community relations through a set of frameworks and tools underpinned by principles of information sharing, stakeholder engagement, and the implementation of mutually beneficial programmes (Sadig et al., 2021). These initiatives are designed to encompass educational and healthcare support, regional employment pathways, SME development, and contractor inclusion. Furthermore, they should include early-stage community assessments and consultations, as well as long-term capacity building to foster local autonomy and reduce dependency (Dmytriyev, Freeman, & Hörisch, 2021).

This study examined the extent to which Richards Bay Minerals' CSR practices have influenced the ability of communities in the northern KwaZulu-Natal region to manage their local challenges. Specifically, the research

aimed to understand how community members perceive the company's CSR initiatives in relation to improvements in community well-being. The findings are expected to offer valuable insights not only to Richards Bay Minerals and the communities in which it operates, but also to other companies facing comparable community-related challenges.

#### Literature Review

Businesses continue to develop and implement structured frameworks, policies, and procedures pertaining to social responsibility (SR) (Tien, Anh, & Ngoc, 2019). It is imperative that executive leadership and boards of directors exhibit strategic foresight and commitment to realise such objectives. As defined by SR principles, corporate management must balance the pursuit of economic aims with the obligation to protect and promote the welfare of the broader community (Singh & Misra, 2021). The goal is to maximise life satisfaction within the contextual interpretations of life quality across cultures. A firm's socially responsible actions may be categorised based on the stakeholder groups influenced by corporate decision-making (Carroll, 2021). Stakeholders may be divided into two primary categories: primary and secondary. The former group includes business owners who are directly involved in generating revenue, attaining strategic goals, boosting organisational performance and profitability, enhancing corporate image, conducting marketing, and ensuring environmental stewardship (Sahasranamam, Arya, & Sud, 2019). Secondary stakeholders include local communities and the broader national population.

In areas such as environmental protection, community upliftment, access to housing, healthcare, educational development, and support for non-governmental organisations, schools, and sports initiatives, social responsibility from corporations is increasingly sought (Latapí Agudelo, Johannsdottir, & Davidsdottir, 2020). The concept of SR has garnered significant attention in contemporary ethical discourse, with an expanding body of scholarly work on the subject. He & Harris (2020) highlight that consumer advocacy has reached unprecedented levels and that misconduct is swiftly reported by mainstream media. Ian Davis, Global Managing Director at McKinsey & Company, reinforced the strategic importance of formulating systematic responses to societal demands, positing this as a pathway to achieving competitive advantage (Hadj, 2020). Davis critiqued companies relying solely on reputational or environmental marketing, arguing that such minimal responses fall short of addressing civil society's broader concerns. A shift in approach is recommended, whereby businesses establish new forms of social contracts involving stakeholders to align social responsibility with financial objectives (Gillan, Koch, & Starks, 2021).

SR theory posits that firms should be held accountable for the societal implications of their decisions. This accountability implies rectifying harmful corporate actions where possible (Tien et al., 2020b). However, acting responsibly does not preclude businesses from pursuing profitability. The SR concept first emerged in the United States in the early 20th century, prompted by critiques of corporations accused of engaging in unethical or illegal practices and amassing excessive power (Bartolacci, Caputo, & Soverchia, 2019). A notable scholarly contribution to the SR literature was Thomas M. Jones's 1980 essay, which likened SR practices to a

democratic system that equitably incorporates diverse stakeholder perspectives (Mao et al., 2020). Bartolacci et al. (2019) argue that while corporations ought to consider the implications of their decisions, they are not responsible for resolving all social problems.

In the early 2000s, the SR movement embraced the principle of "doing good to do well," yet this idea remains contingent upon supportive institutions and market conditions. Not all socially conscious actions yield financial returns or consumer interest. RBM has acknowledged the importance of cultural heritage preservation, particularly in communities with ancestral ties to the land. According to Tien et al. (2020a), mining companies have generally been proactive in addressing environmental concerns, although social and economic challenges receive comparatively less attention. Nirino et al. (2021) assert that mining operations impact local economies through procurement, labour, and social welfare investments. These activities can foster the development of future professionals and entrepreneurspotential employees, suppliers, policymakers, and consumers—who contribute to a resilient infrastructure. Aureli et al. (2020) define social value as the removal of barriers to inclusion and the enhancement wellbeing among marginalised groups, whereas economic value encompasses measurable and intangible benefits that enhance a firm's competitive position. Executives increasingly recognise the value of SR as it contributes to profitability, corporate reputation, and public trust.

Corporations, composed of individuals who embody organisational values, are driven to meet the expectations of stakeholders through ecologically and ethically sound practices. As Jung, Kim, & Kim (2020) noted in In On Africa (IOA), businesses have come to understand that they cannot operate in isolation from the societies in which they exist. They must extend responsible management beyond internal operations. This shift is attributed not only to evolving business ethics but also to pressures from advocacy groups, non-profit organisations, and external regulatory forces. Mining firms, in particular, have faced scrutiny for perceived neglect of community and environmental obligations. SR practices are further motivated by conformity with industry standards, reputational considerations, regulatory compliance, and the need to meet public expectations.

emphasised literature that sustainable entrepreneurship entails integrating product-, process-, and concept-oriented sustainability. They highlight the importance of multi-stakeholder collaboration-including non-governmental corporations. governments, organisations, and communities-for fostering innovation and sustainable development. Such efforts reinforce corporate accountability and contribute meaningfully to local progress and wellbeing. Evidence suggests that some SR initiatives in South Africa stem not from corporate discretion but from compliance with the Black Economic Empowerment (BEE) legislation (Jung et al., 2020). The BEE Act obliges South African businesses to consider all stakeholders in operational and strategic activities. Its objectives include redressing socio-economic disparities inherited from apartheid and promoting full economic participation of historically disadvantaged groups. The initial King Report on Corporate Governance, released in 1994, advocated for ethical leadership and governance in listed firms, banks, and certain public institutions (Hadj, 2020). It underscored the responsibility of businesses to the communities in which they operate.

To implement SR in a strategic and accountable manner,

businesses must develop mechanisms to assess their social performance (SP). Given the abstract nature of "responsibility," Jung et al. (2020) proposed one of the earliest models using "efficiency" as a measurable proxy for corporate social performance (CSP). During the 1990s, stakeholder theory gained prominence in analysing SP. Streimikiene et al. (2020) suggest that evaluating a firm's stakeholder relationships is crucial for understanding SR outcomes. This includes addressing questions such as: To whom is the business responsible? What form does this responsibility take? Who evaluates SP, and based on which standards? The literature consistently highlights the significance of stakeholder engagement in driving effective SR practices. The current research seeks to examine whether and how corporate social responsibility efforts contribute to the sustainable development and improvement of local communities.

## Research Methodology

This study adopted a quantitative research methodology for data collection. Quantitative methods are grounded in predetermined classifications, frequently operationalised through measurable indicators and statistical instruments (Schramm-Klein et al., 2016). Such approaches facilitate comprehensive and generalisable analyses. In sociological contexts, quantitative research refers to the empirical investigation of social phenomena using numerical, statistical, or computational techniques. The study targeted 129 individuals residing in the vicinity of RBM, encompassing members of local religious groups, healthcare facilities, educational institutions, and the broader community located in the northern region of KwaZulu-Natal. The selection of this sample size was informed by the geographical positioning of RBM within this community. Participants included local community representatives, religious leaders (such as pastors and reverends), school principals, clinic managers, and general residents.

The sample was designed to reflect the demographic composition of the local population. A cluster sampling strategy was employed, with the sampling frame derived from municipal wards incorporating private residences, religious institutions, schools, and healthcare centres. Each of these community sectors provided a group of respondents, from which twenty individuals were selected from each category within the northern KwaZulu-Natal area. To obtain primary data, the study utilised a structured questionnaire as the primary research instrument. The survey featured closed-ended items designed in a Likert scale format. The questionnaires were distributed to the selected participants, who were given a period of two weeks to complete them. A trained researcher was appointed to support participants throughout the data collection period, ensuring clarity and consistency in responses (Lee & Yoon, 2018). The data were quantified by counting the frequency of each response category for every item. The collected responses were subsequently analysed in relation to existing academic literature and RBM's social responsibility initiatives, as documented in their publicly accessible sustainability report. The appointed facilitated the delivery of the questionnaires to key community figures—including local leaders, clergy, school heads, and clinic administrators-who were responsible for safeguarding the instruments until the scheduled collection date.

## **Data Analysis and Discussion**

The questionnaire was carried out at several locations in the South African region of Northern KwaZulu-Natal. The advantages of CSR for businesses are summarised in Table 1. The findings reveal that 61 respondents (44.0%) strongly agreed, 50 (40%) agreed, 7 (5.3%) were uncertain, 8 (9.8%) disagreed, and 3 (0.9%) strongly disagreed. These results

suggest that a majority of participants firmly believed that RBM's operations provide significant benefits to the local community, including employment opportunities, skills development, technological innovation, access to contracting and business prospects, and social investment. The overall positive response regarding the benefits of social responsibility reflects a perception of sound governance practices being implemented by RBM in its engagement with the community.

Table 1: Interactions to the Business's Social Responsibilities.

Field of Study		Number of				
rield of Study	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree	Replies
Responding to the Advantages of Social Responsibility	61 (44.0%)	50 (40%)	7 (5.3%)	8 (9.8%)	3 (0.9%)	129
Responding to the Impact of Social Responsibility	3 (2.0%)	26 (17%)	50 (40%)	41 (30%)	9 (11%)	129
Responding to the Role of Promoting Societal Well-Being	14 (11%)	49 (38%)	38 (29%)	28 (22%)		129
Responding to RBM's Social Responsibility Advantages	4 (3%)	58 (45%)	50 (39%)	17 (13%)		129
Responding to Ensuring Community Sustainability	10 (8%)	32 (25%)	63 (49%)	23 (17%)	1 (1%)	129

# The Discussion About the Response to the Impact of Social Responsibility

The results further demonstrate that 3 participants (2.0%) strongly agreed, 26 (17%) agreed, 50 (40%) were uncertain, 41 (30%) disagreed, and 9 (11%) strongly disagreed regarding the statement on RBM's influence on community well-being. These findings suggest that a significant portion of respondents did not perceive RBM as having a detrimental effect on the standard of living, safety, public health practices, or the economic development of local communities. The responses imply that RBM is perceived to be cognisant of its social responsibility and environmentally considerate in terms of the implications of its operations. With respect to RBM's contribution to public health, the data reveal that 11% of respondents strongly agreed, 38% agreed, 29% remained uncertain, and 22% disagreed. These figures indicate a general sentiment among participants that RBM has had a beneficial impact on community health in the northern KwaZulu-Natal region. This favourable perception highlights the company's efforts to operate in a socially responsible manner, particularly in addressing potential health hazards associated with mining activities and implementing strategies to mitigate these

Additionally, when asked about the overall benefits of RBM's social responsibility initiatives, 4 respondents (3%) strongly agreed, 45% agreed, 39% were uncertain, and 8 (9.8%) disagreed. These responses provide insight into the community's recognition of the value of RBM's social interventions, although the high rate of uncertainty suggests that these benefits may not be universally acknowledged or clearly communicated. However, a noteworthy proportion of participants indicated concerns regarding the equitable distribution of benefits. Many respondents perceived RBM's social responsibility efforts as being disproportionately advantageous to a small segment of the population, potentially marginalising the broader community. This perspective underscores existing gaps in the perceived inclusivity and effectiveness of RBM's social responsibility framework.

In relation to the sustainability of local communities, the

results indicate that 10 participants (8%) strongly agreed, 32 (25%) agreed, 63 (49%) were uncertain, 23 (17%) disagreed, and 3 (0.9%) strongly disagreed. The predominance of uncertainty and disagreement suggests that a substantial number of respondents were unconvinced that RBM's community responsibility initiatives are sufficient to ensure long-term local sustainability. This finding raises concerns about the extent to which RBM's corporate governance and social responsibility strategies are perceived as impactful by surrounding community members. Comparable conclusions were drawn by Lee & Yoon (2018), who found that active social responsibility programmes were generally valued and viewed positively by residents in adjacent areas. These results are consistent with prior studies, which are within the Map Ta Phut community surveyed 200 individuals and concluded that the corporate social responsibility efforts of the local chemical industry positively influenced community relations.

Table 2, reflecting RBM's leadership in SR within communities, reveals that 9 respondents (7%) strongly agreed, 22 (17%) agreed, 51 (40%) were uncertain, 45 (34%) disagreed, and 2 (2%) strongly disagreed. The survey results suggest that many participants expressed doubts about the consistency with which RBM's management provides the community with input on SRrelated matters. This highlights a clear need for RBM to enhance its engagement with the community, particularly on issues that may affect local society. There is a discernible need to foster communication on sensitive topics, ensuring an effective means to facilitate dialogue with the community. In terms of cultural impact, the data shows that 6 (5%) strongly agreed, 56 (43%) agreed, 43 (33%) were uncertain, 20 (16%) disagreed, and 4 (3%) strongly disagreed. The majority of participants indicated that they perceive RBM's social responsibility efforts to have a negative influence on the cultural dynamics of the northern area. This negative perception further underscores the need for RBM to engage more meaningfully with the community on cultural matters.

Table 2: Answers to Communities' Advantages of the Business.

Field of Study	Sector Distribution						
rield of Study	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree	Replies	
Responding to Community Comments from RBM's SR Management	9 (7%)	22 (17%)	51 (40%)	45 (34%)	2 (2%)	129	
Responding to Cultural Effects	6 (5%)	56 (43%)	43 (33%)	20 (16%)	4 (3%)	129	
Responding to the Advantages of Schools	34 (26%)	48 (37%)	35 (27%)	11 (9%)	1 (1%)	129	
Responding to Recognition from the Community	11 (9%)	21 (16%)	51 (39%)	40 (31%)	6 (5%)	129	
Responding to Taking Decision-Making Inputs	7 (5%)	20 (16%)	49 (38%)	48 (37%)	5 (4%)	129	

Regarding RBM's contributions to schools, the survey indicated that 34 participants (26%) strongly agreed, 48 (37%) agreed, 35 (27%) were uncertain, 11 (9%) disagreed, and 1 (1%) strongly disagreed. The findings suggest that a majority of respondents believe that RBM's SR initiatives have had a positive impact on local schools, reflecting the tangible contributions made in this area. When it comes to community recognition, the results show that 11 participants (9%) strongly agreed, 21 (16%) agreed, 51 (39%) were uncertain, 40 (31%) disagreed, and 6 (5%) strongly disagreed. The responses suggest that many participants are unsure whether local communities acknowledgment consistently receive contributions to the business's SR initiatives. This indicates that RBM could improve in recognising and appreciating community efforts, which is vital for the community's mental health, well-being, and motivation. On the matter of involving the community in decisionmaking processes, 7 respondents (5%) strongly agreed, 20 (16%) agreed, 49 (38%) were uncertain, 48 (37%) disagreed, and 5 (4%) strongly disagreed. The results reveal that there is a notable divide, with participants expressing both uncertainty and disagreement regarding RBM's practices of soliciting feedback on SR-related matters. This echoes earlier findings, suggesting that RBM has opportunities for improvement, particularly in fostering better communication and collaboration with the community.

Supporting this perspective, prior literature emphasised

the necessity of effective communication between industries and local communities. Researchers argued that regular consultation with the community serves as a valuable strategy for risk mitigation, ensuring that CSR programmes are directed toward achieving the most meaningful and impactful results. This notion of effective communication was further supported by researchers in Slovakia, who highlighted the critical importance of open dialogues between companies and their communities. These findings align with other research underscoring the significance of robust communication in achieving the desired outcomes of CSR initiatives.

Table 3 presents the participants' views on developmental opportunities. Of the respondents, 14 (11%) strongly agreed, 51 (39%) agreed, 42 (33%) were uncertain, 19 (15%) disagreed, and 3 (2%) strongly disagreed. The survey results indicate that the majority of participants believe that RBM's CSR initiatives enable community growth. This positive response underscores the community's appreciation for RBM's contributions and initiatives, which have yielded meaningful outcomes. Additionally, Table 3 presents the views of participants on managerial perspectives that may positively influence motivation. It shows that 12% of participants strongly agreed, 27% agreed, 51% were uncertain, 27% disagreed, and 1% strongly disagreed. The findings suggest that most participants were uncertain about the influence of RBM's approach to social responsibility on employees' motivation to improve the community.

Table 3: Reactions to Possibilities for Development.

Field of Study	Sector Distribution					
rield of Study	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree	of Replies
Responding to Possibilities for	14 (11%)	51 (39%)	42 (33%)	19 (15%)	2 (2%)	129
Development	14 (11/0)	31 (39%)	42 (33%)	19 (13%)	3 (2%)	129
Responding to Managerial						
Perspectives on Affecting Incentives	15 (12%)	35 (27%)	51 (39%)	27 (21%)	1 (1%)	129
Positively						
Responding to Other People	18 (14%)	32 (25%)	67 (52%)	10 (8%)	2 (1%)	129
Responding to Developing a	9 (7%)	48 (37%)	43 (23%)	29 (23%)		129
Beneficial Image of RBM	7 (1/0)	40 (37%)	43 (23%)	27 (23/0)		127
Responding to the Observance of	14 (11%)	64 (49%)	49 (39%)	2 (1%)		129
RBM	14 (11%)	04 (47%)	47 (37/0)	2 (1/0)		127

When comparing the responses from the participants to those from other groups, Table 3 reveals that 18 (14%) strongly agreed, 32 (25%) agreed, 67 (52%) were uncertain, 10 (8%) disagreed, and 2 (1%) strongly disagreed. The majority of participants expressed uncertainty, suggesting that RBM surpasses many businesses in addressing social responsibility issues. Areas where participants and the community remain uncertain

could be better addressed through enhanced communication channels and engagement between RBM and the local community. In terms of fostering a positive perception of RBM, the results show that 9 (7%) strongly agreed, 48 (37%) agreed, 43 (33%) were uncertain, and 29 (23%) disagreed. The majority of participants expressed a positive view of RBM's CSR initiatives. This response reflects a general endorsement of the social responsibility

programs and actions undertaken by RBM, as perceived by the community.

Moreover, Table 3 also highlights participants' opinions regarding their awareness of RBM's operations. Of the respondents, 14 (11%) strongly agreed, 64 (49%) agreed, 49 (39%) were uncertain, and 2 (1%) disagreed. These findings indicate that many participants recognise and appreciate RBM's heritage and mission. The largely positive responses suggest that, on the whole, RBM is making a significant impact with its social responsibility efforts. A Prior study highlighted the evolving nature of CSR, stressing the importance of a multidisciplinary approach to its effective implementation. Rsearchers argued that, with the right initiatives, CSR can significantly benefit the community and help mitigate environmental degradation. The findings from this research align with previous studies, demonstrating that CSR initiatives are generally viewed positively by the affected communities.

In addition to this, Table 4 presents responses related to the concept of fulfilment. Of the participants, 15 (12%) strongly agreed, 24 (19%) agreed, 61 (47%) were uncertain, 27 (21%) disagreed, and 1 (1%) strongly disagreed. The results indicate that most participants were unclear about their satisfaction with RBM's approach to social responsibility. The response suggests a disconnection between RBM's social responsibility initiatives and the perceived impact and fulfilment within the community. Regarding prospects for social progress, 12 (9%) strongly agreed, 48 (37%) agreed, 23 (18%) were uncertain, 45 (35%) disagreed, and 1 (1%) strongly disagreed. The findings suggest that a majority of participants believed RBM consistently encouraged them to seize opportunities related to social progress. This positive feedback reflects approval of RBM's practices in this area.

Table 4: Discussion on the Degree of Fulfilment.

Field of Study	Sector Distribution						
Fleid of Study	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagre	of Replies	
Responding to the Degree of Fulfilment	15 (12%)	24 (19%)	61 (47%)	27 (21%)	2 (1%)	129	
Responding to Possibilities for Development in Society	12 (9%)	48 (37%)	23 (18%)	45 (35%)	1 (1%)	129	
Responding to the Right to Express Worries	10 (8%)	11 (9%)	30 (23%)	71 (55%)	7 (5%)	129	
Responding to the Notion of Social Responsibility	17 (13%)	43 (33%)	46 (36%)	21 (16%)	2 (2%)	129	
Responding to Involvement in Political and Social Endeavours	9 (7%)	43 (33%)	8 (6%)	69 (54%)		129	

On the matter of expressing concerns, Table 4 reveals that 10 (8%) strongly agreed, 11 (9%) agreed, 30 (23%) were uncertain, 71 (55%) disagreed, and 7 (5%) strongly disagreed. These results indicate that most participants felt that raising social responsibility-related issues with RBM was challenging. The lack of open communication between RBM and the community, as identified throughout the questionnaire, represents a notable concern. This area could be improved through enhanced collaboration between RBM and the local community. Concerning the participants' understanding of social responsibility, the findings indicate that 17 (13%) strongly agreed, 43 (33%) agreed, 46 (36%) were uncertain, 2 (2%) strongly disagreed, and 21 (16%) disagreed. These results show that most participants were unfamiliar with the concept of corporate social responsibility and its implications. There appears to be varied perceptions within the community regarding what constitutes social responsibility, with ambiguity surrounding the scope of RBM's role in this regard.

Regarding involvement in political and social initiatives, 9 (7%) strongly agreed, 43 (33%) agreed, and 8 (6%) were uncertain. The majority of participants disagreed with the notion that they were actively engaged in political and social activities within their community. This may suggest that the community places greater reliance on businesses, such as RBM, for social impact and assistance, rather than on the government. This dependency could lead to inflated expectations of the private sector to address issues typically within the public sector's remit. Aliamutu & Mkhize (2024b) reviewed the evolution of corporate social responsibility from 1950 to 2020, highlighting its dynamic nature and the necessity for businesses to adapt to shifting social expectations. The uncertainty reflected

in the responses of participants provides valuable insights into the changing and varied expectations of CSR within the community.

Table 5 presents the participants' responses regarding social programs and activities. Among the participants, 9 (7%) strongly agreed, 22 (17%) agreed, 74 (57%) were uncertain, 23 (18%) disagreed, and 1% strongly disagreed. These results indicate that the majority of participants were uncertain about the frequency with which RBM organizes events and activities for the community. This uncertainty may be attributed to the perceived lack of open communication channels between RBM and the local community. In response to questions about social responsibility as a form of advertising with a positive impact, the following answers were provided: 26 (20%) strongly agreed, 52 (40%) agreed, 46 (36%) disagreed, and 2 (2%) strongly disagreed. The survey results indicate that participants believe that applying responsibility initiatives as an advertising strategy can benefit regional and local communities. The positive feedback reflects the value that society places on social responsibility practices initiated by the private sector and underscores the importance of businesses actively engaging in such programs.

Concerning community involvement, stakeholder participation, and fostering an environmentally friendly economy, the results showed that 10 (8%) strongly agreed, 31 (24%) agreed, 68 (53%) were uncertain, and 20 (15%) disagreed. According to the survey, the majority of participants were unaware that RBM incorporates community service, sustains local economies, and engages stakeholders as part of its corporate social responsibility initiatives. The lack of awareness highlights the need for more effective communication between RBM and the local

community. Regarding communication initiatives, the responses indicated that 10 (8%) strongly agreed, 25 (19%) agreed, 61 (47%) were uncertain, 29 (23%) disagreed, and 4 (3%) strongly disagreed. Many participants expressed uncertainty about whether RBM shares information

regarding its environmental and social responsibility efforts within the local community. This feedback further emphasizes the issue of establishing appropriate and accessible communication channels between RBM and the community.

Table 5: Reactions to Social Events and Initiatives.

	Sector Distribution						
Field of Study	Strongly Agree	Agree	Uncertain	Disagree	Strongly Disagree	<ul><li>Number of Replies</li></ul>	
Responding to Social Events and Initiatives	9 (7%)	22 (17%)	74 (57%)	23 (18%)	1 (1%)	129	
Responding to SR as an Advertising Strategy to Have Benefits	26 (20%)	52 (40%)	46 (36%)	3 (2%)	2 (2%)	129	
Responding to Community Involvement, Sustainability, Economic Development, and Involvement of Stakeholders	10 (8%)	31 (24%)	68 (53%)	20 (15%)		129	
Responding to Communication Initiatives	10 (8%)	25 (19%)	61 (47%)	29 (23%)	4 (3%)	129	

While the research has identified a deficiency in effective communication between the community and RBM, an intriguing observation was made by Aliamutu & Mkhize (2024a), who noted a paradoxical situation concerning the extremes of too much or too little communication about CSR. A prior study highlighted the importance of maintaining a delicate balance in the level of communication, emphasizing that either excessive or insufficient communication could lead to negative perceptions and connotations within the community. The nature and method of CSR communication were further explored by Aliamutu & Mkhize (2024c), who conducted a study in Canada, which revealed that society highly values authentic and responsible communication. Additionally, prior literature found that the mode of reporting often posed a greater challenge than the communication itself, with shortcomings primarily occurring in how CSR activities were reported.

### Conclusion

The research revealed that respondents are generally satisfied with the benefits brought by RBM, such as employment opportunities, capacity technological advancements, acquisitions, and prospects for business and investment within the community. The aim of this study is to assess how CSR impacts the development of local communities. Specifically, it seeks to determine whether and how CSR initiatives contribute to the sustainable development and improvement of these communities. Respondents also believe that RBM has had a notably positive effect on their well-being, although some groups feel that not all members of the community benefit from RBM's initiatives. Furthermore, participants indicated that RBM's CSR activities, such as supporting local schools, have created opportunities for community development. However, 55% of those surveyed expressed difficulty in communicating their concerns to RBM regarding social responsibility matters, which may hinder the broader community's ability to fully benefit from the company's comprehensive community development efforts.

Based on the research findings, the following recommendations are made: The SR management team at RBM should ensure that the benefits, including employment, technological advancements, capacity building, contracting, and business opportunities, are distributed fairly to surrounding areas. This approach could help alleviate the unrest and strikes in the region,

ultimately restoring harmony and stability to the RBM community. Additionally, it is essential for the SR management group to ensure that all relevant stakeholders are involved in decision-making processes concerning social responsibility matters. recommended that RBM focus on the following principles Responsibility: enhance its CSR strategies: Transparency and honesty should be central values when communicating with investors, prioritising stakeholders' need for understanding over organisational costs or challenges. Visibility is critical to enhancing the company's credibility. Financial returns: The company's revenues must show steady, long-term growth to increase shareholder value. Business partnerships: RBM should assess its partners' CSR initiatives to ensure they align with the company's own values, while maintaining fair and honest relationships with all corporate partners. Community engagement: RBM should engage with the community in an open, honest, and transparent manner, ensuring that all parties are aware of the company's goals and the reasons behind its decisions. Achieving this is possible through effective communication channels.

Ultimately, the aim of this study was to determine whether CSR influences businesses' role in developing local communities. The findings confirm that CSR does indeed have an impact on community development. However, the research is limited by the relatively small sample size and the exclusion of other local communities in similar areas. Therefore, caution should be exercised when generalising these results. A more extensive study, involving a larger sample size and multiple companies, is recommended. Overall, the community perceives RBM as a positive force, but there is still room for improvement. It is crucial to establish ongoing dialogue and transparent communication channels between RBM and the community, fostering mutual understanding, especially as expectations continue to evolve.

#### References

Aliamutu, K. F., & Mkhize, M. (2024a). The impact of failure to make payment behaviour on the profitability of South African municipal electricity suppliers. *International Journal of Environmental*, Sustainability, and Social Science, 5(3), 586-602. doi: <a href="https://doi.org/10.38142/ijesss.v5i3.889">https://doi.org/10.38142/ijesss.v5i3.889</a>

Aliamutu, K. F., & Mkhize, M. (2024b). Inventiveness as a Driver

- of Small and Medium-Sized Business Profitability in South Africa: A Quantile Regression Method. International Journal of Environmental, Sustainability, and Social Science, 5(2), 293-306. doi: https://doi.org/10.38142/ijesss.v5i2.950
- Aliamutu, K. F., & Mkhize, M. (2024c). The Obstacles of Women Entrepreneurship on Empowerment in Rural Communities KwaZulu Natal, South Africa. *Indonesian Journal of Innovation and Applied Sciences (IJIAS)*, 4(1), 88-96. doi: <a href="https://doi.org/10.47540/ijias.y4i1.1259">https://doi.org/10.47540/ijias.y4i1.1259</a>
- Aureli, S., Del Baldo, M., Lombardi, R., & Nappo, F. (2020). Nonfinancial reporting regulation and challenges in sustainability disclosure and corporate governance practices. *Business Strategy and the Environment*, 29(6), 2392-2403. doi: https://doi.org/10.1002/bse.2509
- Barauskaite, G., & Streimikiene, D. (2020). Corporate social responsibility and financial performance of companies: The puzzle of concepts, definitions and assessment methods. *Corporate Social Responsibility and Environmental Management*, 28(1), 278-287. doi: <a href="https://doi.org/10.1002/csr.2048">https://doi.org/10.1002/csr.2048</a>
- Bartolacci, F., Caputo, A., & Soverchia, M. (2019). Sustainability and financial performance of small and medium sized enterprises: A bibliometric and systematic literature review. Business Strategy and the Environment, 29(3), 1297-1309. doi: https://doi.org/10.1002/bse.2434
- Carroll, A. B. (2021). Corporate social responsibility (CSR) and the COVID-19 pandemic: organizational and managerial implications. *Journal of Strategy and Management*, 14(3), 315-330. doi: <a href="https://doi.org/10.1108/JSMA-07-2021-0145">https://doi.org/10.1108/JSMA-07-2021-0145</a>
- Dmytriyev, S. D., Freeman, R. E., & Hörisch, J. (2021). The Relationship between Stakeholder Theory and Corporate Social Responsibility: Differences, Similarities, and Implications for Social Issues in Management. *Journal of Management Studies*, 58(6), 1441-1470. doi: <a href="https://doi.org/10.1111/joms.12684">https://doi.org/10.1111/joms.12684</a>
- Gillan, S. L., Koch, A., & Starks, L. T. (2021). Firms and social responsibility: A review of ESG and CSR research in corporate finance. *Journal of Corporate Finance*, 66, 101889. doi: <a href="https://doi.org/10.1016/j.jcorpfin.2021.101889">https://doi.org/10.1016/j.jcorpfin.2021.101889</a>
- Hadj, T. B. (2020). Effects of corporate social responsibility towards stakeholders and environmental management on responsible innovation and competitiveness. *Journal of Cleaner Production*, 250, 119490. doi: <a href="https://doi.org/10.1016/j.jclepro.2019.119490">https://doi.org/10.1016/j.jclepro.2019.119490</a>
- He, H., & Harris, L. (2020). The impact of Covid-19 pandemic on corporate social responsibility and marketing philosophy. *Journal of Business Research*, 116, 176-182. doi: <a href="https://doi.org/10.1016/j.jbusres.2020.05.030">https://doi.org/10.1016/j.jbusres.2020.05.030</a>
- Jung, J., Kim, S. J., & Kim, K. H. (2020). Sustainable marketing activities of traditional fashion market and brand loyalty. *Journal of Business Research*, 120, 294-301. doi: https://doi.org/10.1016/j.jbusres.2020.04.019
- Latapí Agudelo, M. A., Johannsdottir, L., & Davidsdottir, B. (2020). Drivers that motivate energy companies to be responsible. A systematic literature review of Corporate Social Responsibility in the energy sector. *Journal of Cleaner Production*, 247, 119094. doi: https://doi.org/10.1016/j.jclepro.2019.119094

- Lee, E.-M., & Yoon, S.-J. (2018). The effect of customer citizenship in corporate social responsibility (CSR) activities on purchase intention: the important role of the CSR image. Social Responsibility Journal, 14(4), 753-763. doi: https://doi.org/10.1108/SRJ-04-2017-0074
- Mahmud, A., Ding, D., & Hasan, M. M. (2021). Corporate Social Responsibility: Business Responses to Coronavirus (COVID-19) Pandemic. SAGE Open, 11(1), 2158244020988710. doi: <a href="https://doi.org/10.1177/2158244020988710">https://doi.org/10.1177/2158244020988710</a>
- Mao, Y., He, J., Morrison, A. M., & Andres Coca-Stefaniak, J. (2020). Effects of tourism CSR on employee psychological capital in the COVID-19 crisis: from the perspective of conservation of resources theory. *Current Issues in Tourism*, 24(19), 2716-2734. doi: https://doi.org/10.1080/13683500.2020.1770706
- Masum, A., Aziz, H. H. H. A. A., & Hassan, M. (2020).

  Corporate Social Responsibility and its Effect on
  Community Development: An Overview. *Journal*of Accounting Science, 22(1), 35-40. doi:
  https://doi.org/10.9790/487X-2201053540
- Nirino, N., Santoro, G., Miglietta, N., & Quaglia, R. (2021).

  Corporate controversies and company's financial performance: Exploring the moderating role of ESG practices. *Technological Forecasting and Social Change*, 162, 120341. doi: https://doi.org/10.1016/j.techfore.2020.120341
- Purbawangsa, I. B. A., Solimun, S., Fernandes, A. A. R., & Mangesti Rahayu, S. (2019). Corporate governance, corporate profitability toward corporate social responsibility disclosure and corporate value (comparative study in Indonesia, China and India stock exchange in 2013-2016). Social Responsibility Journal, 16(7), 983-999. doi: https://doi.org/10.1108/SRJ-08-2017-0160
- Qiu, S., Jiang, J., Liu, X., Chen, M.-H., & Yuan, X. (2021). Can corporate social responsibility protect firm value during the COVID-19 pandemic? *International Journal of Hospitality Management*, 93, 102759. doi: https://doi.org/10.1016/j.ijhm.2020.102759
- Sadiq, M., Nonthapot, S., Mohamad, S., Chee Keong, O., Ehsanullah, S., & Iqbal, N. (2021). Does green finance matter for sustainable entrepreneurship and environmental corporate social responsibility during COVID-19? *China Finance Review International*, 12(2), 317-333. doi: https://doi.org/10.1108/CFRI-02-2021-0038
- Sahasranamam, S., Arya, B., & Sud, M. (2019). Ownership structure and corporate social responsibility in an emerging market. *Asia Pacific Journal of Management*, 37(4), 1165-1192. doi: https://doi.org/10.1007/s10490-019-09649-1
- Schramm-Klein, H., Zentes, J., Steinmann, S., Swoboda, B., & Morschett, D. (2016). Retailer Corporate Social Responsibility Is Relevant to Consumer Behavior. *Business & Society*, *55*(4), 550-575. doi: https://doi.org/10.1177/0007650313501844
- Shabbir, M. S., & Wisdom, O. (2020). The relationship between corporate social responsibility, environmental investments and financial performance: evidence from manufacturing companies. Environmental Science and Pollution Research, 27(32), 39946-39957. doi: <a href="https://doi.org/10.1007/s11356-020-10217-0">https://doi.org/10.1007/s11356-020-10217-0</a>
- Singh, K., & Misra, M. (2021). Linking Corporate Social Responsibility (CSR) and Organizational Performance: the moderating effect of corporate reputation. European Research on Management

- and Business Economics, 27(1), 100139. doi: https://doi.org/10.1016/j.iedeen.2020.100139
- Streimikiene, D., Svagzdiene, B., Jasinskas, E., & Simanavicius, A. (2020). Sustainable tourism development and competitiveness: The systematic literature review. Sustainable Development, 29(1), 259-271. doi: <a href="https://doi.org/10.1002/sd.2133">https://doi.org/10.1002/sd.2133</a>
- Tien, N. H., Anh, D. B. H., & Ngoc, N. M. (2019). Corporate financial performance due to sustainable development in Vietnam. *Corporate Social Responsibility and Environmental Management*, 27(2), 694-705. doi: <a href="https://doi.org/10.1002/csr.1836">https://doi.org/10.1002/csr.1836</a>
- Tien, N. H., Hiep, P. M., Dai, N. Q., Duc, N. M., & Hong, T. T. K. (2020a). Green Entrepreneurship Understanding in Vietnam. International Journal of Entrepreneurship, 24(2), 1-14. Retrieved from <a href="https://www.abacademies.org/abstract/green-entrepreneurship-understanding-in-vietnam-9225.html">https://www.abacademies.org/abstract/green-entrepreneurship-understanding-in-vietnam-9225.html</a>
- Tien, N. H., Le, D. M. D., Ho, T. T. M., & Nguyen, P. M. (2020b). Enhancing sustainability in the contemporary model of CSR: a case of fast fashion industry in developing countries. Social Responsibility Journal, 17(4), 578-591. doi: https://doi.org/10.1108/SRJ-03-2019-0108
- Vanclay, F. (2019). Reflections on Social Impact Assessment in the 21st century. Impact Assessment and Project Appraisal, 38(2), 126-131. doi: https://doi.org/10.1080/14615517.2019.1685807
- Voronkova, O. Y., Melnik, M. V., Nikitochkina, Y. V., Tchuykova, N. M., Davidyants, A. A., & Titova, S. V. (2020). Corporate Social Responsibility of Business as a Factor of Regional Development. Entrepreneurship and Sustainability Issues, 7(3), 2170-2180. doi: <a href="https://doi.org/10.9770/jesi.2020.7.3(47">https://doi.org/10.9770/jesi.2020.7.3(47)</a>