Exploring the benefits of CSI on the growth of emerging SMEs in Namibia: Evidences from Lock and Keys

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Abstract: This paper investigates how CSI implementation leads to business growth among the emerging SMEs. The study focuses mainly on the roles of the management in implementing CSI, the CSI benefits, as well as the challenges of implementing CSI. This study is grounded on instrumental and political theories. It attempted a combination of methods of analysis namely content and textual analysis in analysing the qualitative data. In order to get a broader understanding CSI, qualitative method was used. A holistic sample technique was used to draw 15 respondents from the population of employees of Key and Lock. The sample comprised of 4 managers and 11 employees. The respondents were interviewed using structured interview questions. The findings show that managers were the most important drivers of CSI implementation and their influences were essential in boosting CSI activities. Furthermore, CSI provided potential benefits to the company such as high profits, enhanced corporate image, improved employee morale, stabilising the customer loyalty, attract employees and increase company reputation. It was found that emerging SMEs can embrace CSI portfolios as part of social responsibility within the scope of their finances. Furthermore, Lock and Key fulfil the social responsibility by caring for the environment through clearing of the disposed metals from the environment and sell goods and services at affordable price. This act tally with bottom of the economy pyramid theory. The study recommended that CSI should be strategies and be used as a mechanism of boosting company growth. CSI acts as a shield to the SMEs and create competitive advantage. The emerging SMEs need to opt for CSI portfolios that do not require intense capital investment. This will enable them to offer philanthropic services to community at an affordable price. The biggest challenges in implementing CSI were lack of finance, overall perception and the understanding of CSI among the employees and poor knowledge of CSI.

Keywords: Business growth, Social responsibility, social investors, corporate social investment, community, corporate social responsibility, corporate citizen, CSI portfolios

1. INTRODUCTION

In the world in which environmental and social issues are at the top of the minds of many consumers, businesses can no longer prosper without an effort of meeting the consumers’ half-way and embark on sustainable business initiatives (D’Amato et al., 2009). Customers, no longer look for the best price and quality. The customers expect returns from companies that make a positive impact in the world around them. To this end, many businesses around the world are now making Cooperate Social Investment portfolios as a top priority (Weeden, 1998; Phle and Hittner, 2008). The extent to which companies cherish CSI and the knowledge on how it boosts business image and growth among the Small and Medium-Sized Enterprises is not much known. Although, there are evidences that companies that engage
in Cooperate Social Investment portfolios promotes company image and boost business (Siltaoja, 2006; Lii& Lee, 2012).

Ging (2010) argue that there is lack of understanding when it comes to CSI activities. Lack of realization and initiatives among businesses that embraces and implement CSI might contribute to the business undergrowth and deter the firms’ engagement in CSI. Similarly, Abugre (2014, p.105) vies that CSI policies are limited in Africa. Although organizations are given information on the essence of CSI, there are no undertakings from point of view of the roles of the top management. CSI implementation is vital in this world of globalization in order for the firm to survive and maximize profits (Palazzi & Starcher, 1998). To date, there are evidences supporting that companies in developed countries implement CSI portfolios as a strategy to sustain communities and improve the quality of life of the community they operate in (Adkins, 2014).

CSI implementation calls for businesses to be more active in societies. The pressure on government to provide social services has increased beyond the government ability in providing resources to meet these demands (Hinson and Ndhlovu, 2011). This call is not only for large organisations but applicable to smaller firms. Ting et al. (2010) highlights this view by implying that the size of a firm does not matter as far as CSI is concerned. Thus, smaller firms have a role to play in contributing to the society wellbeing.

1.1 Study objectives and research questions
The goals of this study were: first, to examine the CSI implementation process and the benefits reaped from this process. The research question emanated from this objective was “what are the processes of implementing CSI and what are the benefits to SMEs thereof”? The assumption emanating from this objective and question is that implementation of CSI boosts SMEs’ growth.

The second objective was to find out the management roles in CSI implementation. The research question derived from this objective was ‘What is the role of the management in implementing CSI’? This question was examined qualitatively assuming that managers who value CSI activities are prone to attain business growth.

The third objective was to examine the challenges that SMEs are facing in implementing CSI portfolios. Responding to the question ‘What are challenges facing SMEs in implementing CSI portfolios’? This question assumes that small businesses experience a number of challenges in implementing CSI portfolios.

2. LITERATURE REVIEW
2.1 Conceptual and operational definition of CSI
Freemantle and Rockey (2004) defines Corporate Social Investment (CSI) as an organisation’s activities that contributions to society and the community in which the organisation operate. It does form part of their core business activities. These investments can be monetary, or in the form of organisational resources and time.

Another element of the definition is that CSI evolved out of the broader field of CSR (Du Preez & Van Zyl 2015). Ngobeni (2011) reiterates that Corporate Social Investment came into common use in the early 1970s, although it was seldom abbreviated. Despite the rising importance of Corporate Social Investment, the phrase is often mistaken with similar practises like, Corporate Social Responsibility, Corporate Citizenship, Global Citizenship and Corporate Accountability.

Trialogue (2007) in Ngobeni (2011) distinguishes CSI from CSR in a way that CSR is a company’s internal value system for conducting business and regulating operations whereas
CSI is a company’s contribution to people, organisations or communities that are external to the company.

The European Foundation for Quality Management (EFQM, 2004) stresses that Corporate Social Investment is a whole range of fundamentals that organizations are expected to acknowledge and reflect in their actions. It includes, among other things – respecting human rights, fair treatment of the workforce, customers and suppliers, being good corporate citizen of the communities in which they operate as well as conservation of the natural environment. In addition, these fundamentals are seen as key drivers in ensuring that the society allows the organisation to survive in the long term. In essence the society benefits from the organisation’s CSI portfolios.

Corporate social investment originated from philanthropy especially when the value it added to the reputation of the organisation is recognised. While CSI is a branch of CSR, CSR follows the broader solution to triple-bottom-line (Elkington, 1998; Jeurissen, 2000; Slaper & Hall, 2011) matters as related to the 3Ps – profit, people and planet; CSI operate as a subcomponent of CSR referring specifically to company obligation to uplift and safeguard the communities by improving the quality of life of its members.

While scholars’ definitions distinguish the terms CSI and CSR, both concepts point towards the same fundamental principle; that it is the responsibility of a firm to provide more benefits than just profits for shareholders as well as the stakeholders. Furthermore, there are misconceptions regarding CSR from the point of view of different stakeholder’s social contexts (Dahlsrud, 2006).

2.2 The purpose of CSI
Corporate social investment encompasses portfolios that are external to the normal business activities of a company. These portfolio projects are not directed to increasing company profit. Hypothetically, this notion tally to Hamilton et al. (1993) viewpoint that investment to the portfolio will not maximise conventional portfolio returns. In essence, the portfolio projects have a strong developmental approach and utilise company resources to benefit and uplift communities (Ogden & Watson, 1999). It is thus essential and worthy noting that CSI portfolios are not primarily driven as marketing initiatives. The initiatives of CSI have a strong developmental approach and utilise company resources to benefit and uplift communities.

The purpose of CSI portfolios centres on aiding and developing social entrepreneurship, education, environment development, food security, health, sports poverty stricken communities among many. The notion behind such investment lies on the fact that good citizenry improves competitiveness by attracting investors, customers and competent employees. This implies that social investment impacts on conventional social returns (Lowry, 1991 and Domini, 1992). Further CSI improves company credibility and thus living condition of the employees and community that the trade operates. Visagie (1993) argues that the true purpose of Corporate Social Investment is to assist in the development and maintenance of a socio-economic and socio political environment that is conducive to real economic growth and self-fulfilment. This act promotes sense of employee satisfaction and loyalty which are instrumental for company growth. Firms that involve in sports tend to market the brand. This helps to build cooperate image and boost the returns on investment. Beneficiaries of the CSI investment portfolios tend to develop interest about the business operations thus indirectly pump resources into the business.

2.3 The Implementation process
CSI is no longer seen as a charitable contribution, or enhanced business image, but a contribution to the real needs of societies where the business operates. Businesses today
have become aware of the processes of implementing CSI and the contribution it has in enhance the business development and the country economic growth in general (Rossouw (2010).

Uzothile (2012) argues that the stakeholders of an organisation play an important role in implementing CSI initiatives. CSI portfolio goes hand in hand with organisation's need to communicate the CSI initiatives to the stakeholders in order to monitor the implementation process. It is thus logical conceiting that sound communication between the employees and management enhances the process and progress of the CSI implementation.

Khoza (2016) concurs that CSI initiatives easily change its main direction to a “show off thing show” if staff are not actively involved. It is thus expected that staff and managers to devote time and energy to attain sense of fulfilment from CSI portfolio investment. Thus, CSI investment portfolios drive the company’s notion of drawing investment returns into the community where they operate and care for the philanthropic provisions.

This bring a notion of Khoza (2016) to light that CSI initiatives are not only about financial support but rather takes into consideration aspects such as time, commitment, passion and sustainability.

2.4 Benefits of CSI

Van Zyl (2013) and Santos (2011) argues that apart from being a powerful and positive force for social change, a firm can reap multifaceted business returns from the CSI endeavours. Firms that pursue CSI portfolios tend to attain customer loyalty, employee satisfaction, business reputation and attain competitive advantage (porter, 1980; Galpin and Whittington, 2012). Engaging in CSI activities is vital because it promotes ethical behaviours, which in return contribute to the wellbeing of the firm and country development.

Gokulsing (2011) propounds that CSI is an important tool to fight poverty by providing financial support to the underprivileged in the community. He further states that prostitution, drugs, HIV/AIDS, domestic violence, and criminality are related to poverty and therefore, investing in education and integrating the underprivileged people are vital to the development of the country.

Businesses that implement CSI reap profit and comparably attain growth. Other benefits of engaging in CSR activities include high profits, enhance ability to recruit, improve innovation, competitiveness, market positioning, enhance ability to address change, and rebuilds trust in business (Ladzani & Seeletse, 2012). Furthermore, Fenwick (2010) contends that CSI enhanced brand image and reputation.

Brookes, Altinay and Ringham (2014) promulgates that CSI instigates customer loyalty. Similarly, CSI promotes the ability to attract and retain employees, reduced regulatory oversight, access to capital, and workforce diversity (Brookes, Altinay & Ringham, 2014). While Roger (2009) propagate that greater use of renewable resources as a CSI initiative, promote greater returns and thus firm growth. In essence, CSI pave way for companies to benefit while benefiting the community members.

It is construed that CSI emphasise that SMEs should care for their core function of making profits by being socially responsible. In quintessence companies have a responsibility to care for the communities and the physical environment. This conclusion auger well with the essential focus of CSI especially on the areas of housing, education, health, small business development, arts and culture, community empowerment, environmental conservation, and rural development. Today, CSI can be considered as one of the pillars on which CSR stands, and adds value to an organization’s CSR activities.
2.5 Managers’ roles
Case (2009) propagate that implementing CSI requires drastic changes in management, staff attitudes, and values. Therefore, managers need to be the core drivers of CSI implementation. Managers are obliged to ensure that the CSI portfolios are improved continuously (AlaaAbuhejleh & SamihYehia, 2014). As the leading agents of an organisation, managers are expected identify new opportunities and promote employees’ involvement in CSI portfolios. Although top management determines the CSI direction and strategy, middle management and employees are the core implementers of the initiative. As a team, they are expected to turn CSI portfolio into reality (Maon, Lindgreen, & Swaen, 2009).

Therefore, managers are instrumental in ensuring that employees have the required resources to respond to the shifting stakeholder concerns. The ultimate mangers’ role is to fine tune employees’ expectations mannerly and consistently with the company's values and the set strategic priorities in meeting CSI initiatives (Altschuller, 2011). The opposite is evident. Altschuller (2011) promulgate that failure to address stakeholder concerns can cause firms a lot of financial and non-financial risks. These risks are loss of access to finance, poor employee morale, community opposition and heightened exposure to regulatory fines and lawsuits.

The firm has a role to play in treating its employees well, Managers are thus key player ensuring that firm preserve the environment, developing sound corporate governance, supporting philanthropy, fostering human rights, respecting cultural differences and helping to promote fair trade. These services are meant to have a positive impact on the communities, cultures, societies and environments in which firms pursue its trade.

2.6 Challenges of implementing CSI
CSI initiatives are part of the policy that an organisation put in place in order to remain competitive in the global market. Around this policy, are different views of what CSI entail. One of the challenges in implementing CSI initiatives is that businesses relationship with stakeholders, such as investors, customers, vendors, suppliers, employees, communities and government differ considerably (Uzothile, 2012). Thus, CSI implementation can be influenced by the relationship between an organisation and its stakeholders (Krisnawati, Yudoko, & Bangun, 2014). Similarly, Jonker and de Witte (2006) add that there is a need for the organisations and their stakeholders to interact given the complexity and dynamics of the business networks.

Rossouw (2013) argues that organisations tend to miss out on the benefits as they do not measure CSI. The lack of measuring the benefits of CSI prevents organisations from comparing and benchmarking CSI initiatives with other investments they had made. In addition, businesses tend not to value, compare and differentiate between CSI from other investments, thus making it difficult to successfully implement CSI portfolios.

On the one hand, it takes time and devotion to implement CSI portfolios. Therefore, it is not only financial support that is challenging but also the time to commit the passion and sustain it (Rossouw, 2013). CSI responsibilities can only be successful if departments join and support each other (Jonker & de Witte, 2006). In addition, emerging SMEs tend not to be actively engage in CSI portfolios. The main reason of not engaging to CSI portfolio projects is that emerging businesses perceives CSI portfolios projects to be costly. While on the contrary, (Hinson & Ndhlovu (2011) vies that the costs of implementing CSI are very low compared to the benefits derived from the initiative.

2.7 A synopsis of CSI portfolio in Namibia
There is no information on SMEs engagement in CSI in Namibia. Yorke (2014) at the Namibian annual conference reports that there is little evidence of the impact of CSI on society uplift as most SMEs’ reports focus more on what was spent than what was achieved. However, many larger businesses such as MTC Namibia are doing well in their CSI initiatives. MTC has consistently led the pack as the key catalyst for the creation of social impacts in society. Thus, social investment has become a culture and a way of life for MTC, its various stakeholders and the Namibian nation at large (Annual Report, 2011). According to Telecom Namibia Annual report (2004/2005), over the years, Telecom Namibia has remained committed to community programs.

“In 2005, Telecom Namibia was actively involved in various CSI initiatives, especially in events related to sports, education, information and communication technologies, and the environment. The beneficiaries have been schools, charities, cultural and sporting clubs, communal farmers’ associations, as well as vulnerable children, senior citizens and physically disabled persons” (Telecom Namibia Annual report,2004/2005).

2.8 Theoretical perspectives of CSI
Relevant CSI theories for this study are grounded on group instrumental theories based on Friedman (1970) viewpoint and political theories.

2.9 Instrumental theories

Instrumental theories
The group the instrumental theory contend that CSI is a vehicle to achieve economic growth and wealth. As such, businesses are obliged to plough into the society and community that they operate by sharing the accumulated profit to stakeholders in mannerly and accepted ethical grounds. While wealth creation is an ultimate business objective, corporate responsibility remains the centre of business growth motives; and an extension of stakeholders’ interest and value (Mitchell et al., 1997; Odgen and Watson, 1999). A review of aspects of CSI instrumental theories is eminent.

Maximising shareholder value
Maximising shareholders value entails the business commitment to invest into the community without jeopardising the business finances or imposing additional cost to company (Friedman, 1970). Such investment is expected to increases stakeholders value. Furthermore, Friedman contends that since the business provides employment to the community, providing appropriate resource to community in return is distinguishable.

strategies for achieving competitive advantages
Another aspect of instrumental theory that tally well with this study is the strategy for achieving competitive advantage. This aspect of the theory is concerned with allocation of resources that enable the business to attain sustainable social objectives while creating a competitive advantage (Husted and Allen, 2000). According to Garriga and Melè (2004, p. 54), these aspects of the theory comprise of social investment in competitive context, natural resource based view of the firm and its dynamic capabilities and, strategies for the bottom of the economic pyramid.

Within the perspectives of social investment in a competitive context, provisional businesses focus on investment in humanitarian in order to promote the business competitive advantage (Burke and Lodgson, 1996 and Porter and Kramer, 2000). As such, the ability of businesses to grow can be regarded as the competitiveness of the business under a particular market economy.

A logical question regarding this concise is "What lies at the roots of competitiveness as related to business growth and adherence to CSI? Based on the analysis of the Five Power
Does Cross-Culture Human Resource Management Affect Performance Of International Organizations? Evidence From Rwanda

Model, Porter (1980, in Zhang, 2000), competitive advantage, especially the differentiation advantage, determines the competitive ability for business to excel. Within the sphere of the theory, competitive advantage maintains a differentiation of cost benefits in the customer's eyes, in comparison to the competitors (Nghidipaa, 2010).

Thus, businesses that focus on CSI tends to create competitive advantage by rooting in technology, organization and people orientation. Competitive advantage focuses on resource-based competition of which Collis and Montgomery (1995) views businesses as a group of resources. The key factors affecting the competitiveness of the company are wealth accumulation and the development of resources.

Prahalad and Hamel (1990) identify core competence by expressing that competitiveness comes from the strategic intent, and core competence management that values the business investment in local community where business operate. While, Senge (1990) recognizes that organizational learning is a pillar in attaining company's permanent competitive advantage. Organizational learning entails the ability of a company to learn more quickly and much better than the competitors from the customers’ perception and value of the business responsibility to the community where it operates.

**Strategies for the bottom of the economic pyramid**

This theoretical approach is based on targeting the majority of population who are consumer of goods and services produced by the business. This approach turns majority into active consumers of the business services while making profit and thus attain business growth (Prahalad, 2002). Such an investment creates a conducive competitive advantage by targeting the not-haves through novelties and charge less on goods and services that business provide (Christensen et al., 2001). This approach when emulated could benefit small upcoming business. Businesses will be realising the essence of ploughing back to the community, attract consumers and capitalise intensive promotion of business growth.

**2.10 Political theories**

The second group of theories is political theories especially corporate citizenship. The main focus of the corporate citizenship theory is that business is seen as a citizen. As such, businesses are expected to have strong relation to the society. Corporate citizenship or business citizenry entails the attachment of business to community they serve. Following the political grounds, businesses have social responsibility to carry specifically in ensuring that community surrounding them benefit from its service. Such an approach tends to sort strong partnership and bond with the community (Dion, 2001).

**2.11 CSI conceptual Model**

The CSI model is developed by considering the dynamics associated to CSI implementation, benefits, the roles of managers and challenges.
The choice of CSI portfolio depends largely on the company resources, ability and intention of ploughing back to the community. This intention can be direct or in direct. The direct investment is largely in form of supporting the existing community services in a form of portfolio projects such as education, sports, health and environmental protection among many. In essence CSI acts as an important tool to fight poverty by providing support to the underprivileged in the community in a form of direct support or affordable services.

To date many established businesses, reach up to communities financially. The emerging businesses opts and preparedness to reach up to communities indirectly by engaging for example in collecting disposed goods, recycle and sale them at an affordable price. This enables community members to afford the service. Promoting affordable goods and services is a typical nature of emerging businesses and a form of CSI portfolio based on the bottom of the economy pyramid.

CSI outputs have positive impact to the emerging businesses. The provision of various forms of philanthropic services to the community results in mass consumption of goods and services or sales. In return, business popularity increases and attracts customers. The more customers the business has the more the sale and profit growth. Accumulated business profit implies business expansion. The profit and growth enable business to diversify CSI portfolios. In return, customers become loyal to the business. This act increases competitiveness; create company shield and business reputation.

The firm growth enables businesses to reward the employees. The employees are instrumental in implementing CSI portfolios. The employees’ satisfaction to the business returns retains them to the firm and attracts more skilful employees. This process is not smooth and thus emerging SMEs encounter challenges in implementing CSI.

3. METHODOLOGY

In order to study the dynamics of CSI and its impact on business growth and understand the roles of managers in promoting CSI it was essential to use a method that can enable the
researcher to get rich information on the benefits, roles of managers, implementation of CSI and challenges facing emerging business to implement CSI and its relations to business growth. To attain this, qualitative research approach was used examine managers’ roles in the implementation of CSI portfolio. The qualitative approach enabled the researcher to explore the participant’s views on CSI understanding and thus enabled the researcher to inductively extract CSI viewpoints from the participants. Under this particular approach, the researcher managed to draw conclusion from the data inductively and generate propositions that could be further tested to proof the relevance and application of CSI portfolios and business growth (Gupta, 2014).

The population was composed of eleven employees and four managers. The sample was drawn from the population of employees by using a purposive sampling procedure. The advantage of purposive sampling is that it is based on the knowledge and experience that the sampled participants have on the subject of investigation. In addition, the selection process follows clear criteria (Wellman, Kruger & Mitchell, 2005; Gay, Mills & Airasian, 2009).

The participants were interviewed using structured questions. In order to attain credibility and trustworthiness of the findings, the selected participants were carefully selected and confirmed to have extensive knowledge on CSI portfolio projects. Narrative and discourse analysis were used to analyse data that was collected through structured interviews. Verbatim were applied to support the presentation and interpretation of the findings.

4. FINDINGS

4.1 CSI implementation in Small and Medium Enterprises

The respondents were asked to state how emerging SMEs can implement CSI portfolios. Four themes emerged from the responses. These themes were research on CSI initiatives, planning on CSI activities, acquiring funds, and acting on the proposed CSI portfolio. The themes are presented on a four points classical interval scale in table 1 and figure 2.

| Table 1: Matrix of the CSI implementation process attributed to each theme in frequencies |

<table>
<thead>
<tr>
<th>Themes</th>
<th>Importance of the themes</th>
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<tbody>
<tr>
<td></td>
<td>None</td>
</tr>
<tr>
<td>Planning on CSI portfolios</td>
<td></td>
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<tr>
<td>Acquiring funds</td>
<td></td>
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<tr>
<td>Acting on proposed CSI portfolio</td>
<td></td>
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<tr>
<td>Research on CSI initiatives</td>
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</table>
The results in table 1 and figure 2 show that planning of CSI portfolio was extremely important in implementing CSI. The choice of a particular portfolio during the initial planning of CSI portfolio among the emerging SMEs depended on the service that the business provides to the community. Planning enables businesses to determine the impact that the provided CSI portfolio may have on the community wellbeing. According to the respondents, planning of the CSI portfolio was gauged on time and finance needed to implement the chosen CSI portfolio.

It was found that the Lock and Key deals with collecting metal wastages in the environment and recycle them. Thus, the choice of the CSI portfolio was cost effective to the business and indirectly offered service to the community by reducing pollution and caring for the environment. One of the respondents answered the question as follow:

(Um)) …There should be a plan. Implementing something requires a plan. You first plan... you draw a plan and identify the activities that the firm wants to initiate and then identified a way of acquiring money. After planning and identifying these initiatives, the firm then act. In our case, we are recycling metals into keys, padlocks and anything that can be useful to the society, so in this case we are caring about the environment, because we have initiated this project of recycling metals so they won’t damage the environment… (ja)” (Manager).

Or a company that deals with metals they can actually recycle these metals, they can go around the society to pick up metals lying around and recycle them” (Employee).

The Respondents indicated that funding was a critical concern among the emerging SMEs. Most of the emerging SMEs require funds to implement CSI portfolios. Respondents indicated that acquiring funds was vital for any SMEs that were willing to take CSI portfolio. It was found that emerging businesses experienced difficulties acquiring funds to run the CSI portfolios such sponsoring students in tertiary institutions. Although financial capacity or
availability of fund for implementing CSI portfolio was important, Key and Lock store carried out this exercise indirectly by caring for the environment:

*Corporate Social Investment activities involve money. To implement it, you need to have a plan of what initiatives you want and then acquire funds to help in implementing them because without funds it’s difficult. For instance, you take two students studying at NUST or UNAM and pay for their tuition fees (Manager).*

The respondents conceived that business ought to stick to the proposed CSI portfolio. It is essential for the firm to abide by what was proposed to implement. The respondents associated planning to choose of a particular portfolio. It implied that emerging SMEs needed to stick to the plan to be able impact the choice of CSI portfolio. Respondents emphasized that acting on something that was not planned may affect the implementation of the planned CSI portfolio. One of the respondents stated that

*...Planning will then follow as to how you will acquire the finance and when to implement the initiatives. After that, you then act on what you have planned” (Manager).*

Research is important because it allows effective implementation of CSI portfolio. Like other business activities, research need to be carried out before implementing CSI portfolio. Researching on open business opportunities in the market that the firm can use to reach out to the society and the environment was found to be necessary.

*To implement CSI is a process that begins with researching for any open opportunity in the market that you can use to reach out to the society and the environment (Manager).*

### 4.2 Benefits of CSI and business growth

The benefit of CSI was measured by in-depth interviews with owners of SMEs in order to gather views on the benefits of CSI portfolio. Six themes namely increase profit, attract competent employees, stimulate innovation, increase business reputation, acts as reputation shield and increase customer loyalty emerged from the interview responses. The themes were gaged on a five-point interval scale and presented on figure 3 and matrix table.

![CSI benefits attributed by themes in frequencies](image_url)

**Figure 3:** The benefits of CSI
Table 2: Matrix of CIS benefits attributed to each theme indicated by frequency

<table>
<thead>
<tr>
<th>Themes</th>
<th>Importance of the themes</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>None</td>
</tr>
<tr>
<td>Increase profit</td>
<td></td>
</tr>
<tr>
<td>Attracts competent employees</td>
<td></td>
</tr>
<tr>
<td>Stimulate innovation</td>
<td></td>
</tr>
<tr>
<td>Increase business reputation</td>
<td></td>
</tr>
<tr>
<td>Acts as reputation shield</td>
<td></td>
</tr>
<tr>
<td>Increase customer loyalty</td>
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</table>

The extreme benefits in engaging in CSI were increasing business profit and reputation. While attracting competent employees to the business emerged as very important. The CSI portfolios as a stimulant to business innovation, act as business reputation shield and increase customer loyalty were seen as somehow important. Accordingly, CSI yields benefits which enhance firm’s growth. Benefits such as profit and reputation were mostly regarded as the outputs of CSI implementation hence a firm with a good reputation leads to high profits as customers would want to buy from a well-said company.

"The few months that I have been in this company I got promoted and my salary increased and I believe this increment of salary is the result of high profit. Other benefits include reputation" (Employee).

The ability to attract skillful employees is an essential mechanism for attaining business growth. CSI plays a significant role in attracting, maintaining customers' loyalty, and, attain business reputation and profitability. In essence potential employees would not just apply to work in any company but they would want to work for a company with a good reputation. A firm that set mechanism that boosts its reputation may have the potentials to attract highly skilled and qualified employees. This sentiment was strongly reverberated:

"...Other common benefits of CSI include high profit, and in our case, we have received a lot of people wanting to work for us because they hear of what we are doing in the society. So, we have the ability to attract employees to our firm" (Manager).

Implementing CSI portfolios enhance innovation in a business. CSI is seen as a new way of reaching out to the society half way. It was evident from the respondents that businesses that embraces CSI tends to become innovative in engaging into activities that ploughing back to the surrounding community. The emerging SMEs engagement in CSI portfolio provide future guarantee of activities that promote growth and pave way for business property. Thus, according to the responses, the emphasis on the benefits of CSI implementation was eminent. As the firms look for various ways of implementing CSI activities, they unconsciously promote innovative and creative ideas. The lock and Key business benefit from CSI portfolio apart from making profit they help in the reduction of environmental pollution, and disposal of harmful substances.
Benefits can be profits, reputation as we are reducing the disposal of metals in the environment” (Employee).

The respondents contended that customers remain loyal to a firm that has good reputation. When customers have lost their trust in a firm, a firm can use its employees to win and retain its customers by using reputation shield. According to the responses, reputation shield is a CSI benefit that is provoked internally. The reputation shield prevents the effluents of negativity that businesses may experience due to external forces of the environment that it operates. Thus, reputation shield is good to a company that has bad reputation. CSI implementation will help a firm to retain the good image.

One of the benefits is reputation shield, and this can only be a benefit if the employees are involved in CSI initiatives. This shield repels negative sentiments from the external environment. The employees can speak of the core values and ethics of the firm to the external audiences to shield the company’s image. Other common benefits include high profit, and in our case, we have received a lot of people wanting to work for us because they hear of what we are doing in the society. So, we have the ability to attract employees to our firm (Manager).

4.3 The roles of managers in CSI implementation
Five themes emerged from the responses regarding roles of managers in CSI in their respective firms. These themes were encouraged participation of employees, employees’ opportunity to suggest CSI activities, give feedback on CSI performance, drive CSI implementation and raising CSI awareness.

Managers’ roles in CSI implementation attributed by themes in frequencies

![Managers' roles in CSI implementation](image)

**Figure 4:** Managers’ roles in implementation of CSI
Table 3: Matrix of manager’s role in CSI implementation attributed to each theme in frequencies

<table>
<thead>
<tr>
<th>Themes</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Non</td>
</tr>
<tr>
<td>Drive CSI Implementation</td>
<td></td>
</tr>
<tr>
<td>Give feedback on CSI performance</td>
<td></td>
</tr>
<tr>
<td>Give employees opportunity to suggest CSI activities</td>
<td>X</td>
</tr>
<tr>
<td>Encourage participation of employees on CSI</td>
<td></td>
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<tr>
<td>Create CSI awareness</td>
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To affect CSI, management roles in driving the implementation of CSI portfolios were seen as extremely crucial. Managers are leaders of the organization. Employees expect managers to be role models in ensuring business programs are successful implemented. The successful business growth boosts business ability to implement CSI portfolio.

It was vivid from the responses that managers were expected to drive CSI program of activities. Managers were seen as instrumental in ensuring the success of CSI. Active manager who value CSI encourages employees in participating in the CSI portfolios. Participation of managers in the implementing of CSI portfolio has an adverse effect on the employee motivation and understanding of CSI initiatives.

Furthermore, the findings show that employees possessed ideas that were relevant to include in the CSI program of activities. Further, it was easy for the employees to propose the CSI ideas to managers who encourage employees to participate in CSI activities. Managers who encouraged employees to participate in CSI might be perceived by employees’ to be ready to accept employees’ ideas about CSI and implement them. These sentiments were highly resounded:

"Managers need to push up when it comes to CSR implementation. An employee may have an idea but without the leadership of the manager, these ideas may not be implemented. The manager should encourage employees with ideas that lead the firm being competitive to come up with them and implement them (Employee)."

Employees look up to their managers and emulate their actions, vigor and drive to attain success. For CSI portfolio to be successfully implemented and bear the positive results, managers are expected to demonstrate commitment to CSI. Such examples are essential in enabling employees to favor CSI:
"Managers, we are the guides in the firm, and when we are not doing anything about CSI the firm might be left out on enjoying the benefits. As a manager, I should then encourage employees to practice ethical behaviours, and give (the employees) feedback about our company’s performances so that they can be motivated to make the most personal and professional contributions to CSR initiatives (Manager).

It was evident from the findings that receiving regular feedback about the CSI implementation outcome was of average important. This finding was surprising. Nevertheless, the employees need to get regular feedback on the progress of CSI program of activities. The respondents lamented that managers’ role was to ensure that feedback on CSI performance was timely given to employees. In essence, employees are implementers of CSI program of activities but they do receive readily results of their efforts. Thus, managers’ role is to ensure that feedback was provided to employees on the general company performances including CSI program of activities. In essence, feedback needs to inspire employees to participate in CSI initiatives. This status quo would inform employees to know about their efforts and contributions were not wasted:

...As a manager, I should then encourage employees to practice ethical behaviours, and give (the employees) feedback about our company’s performances so that they can be motivated to make the most personal and professional contributions to CSI initiatives (Manager).

According to the findings, the respondents indicated that allowing employees to suggest CSI portfolio was somehow important. The roles of the managers were to give employees the opportunity to suggest on CSI activities. It is globally a common practice that employees prefer to work in an environment where they are given opportunities to contribute:

Managers should seek to involve their employees in the planning, design and implementation of CSI activities, making sure that they are participating and not just onlookers. This may help managers fulfil needs that are difficult to identify (Employee).

When a firm knows the inputs and outputs of engaging in CSI activities, it will make CSI practices as part of its organizational culture. Employees conquered that manager’s role is to ensure that the employees are aware of CSI, its inputs and outcomes to business growth.

The role of the managers is to make sure that the employees are brought closer to CSI initiatives. In other words, making employees to take part in the initiatives...as a manager, I encourage employees to participate in any of the initiatives we have. I believe it’s my role as a manager to increase the willingness of the employees to partake in CSI initiatives – by making sure that they are aware of the inputs as well as the outputs of CSI (Manager).

4.4 Challenges associated with CSI implementation
The respondents were asked to state the challenges of CSI implementation, and three sub-themes emerged from their responses. These sub-themes were lack of finances, lack of CSI knowledge, and poor understanding of CSI.
It was noted from the findings that insufficient finances were a major challenge. Lack of finances was a stumbling block for emerging SMEs to implement CSI portfolios. There is a tendency among the emerging SMEs to believe that you need sufficient funds to be able to engage and implement CSI portfolios. Thus, planning on how to acquire funds was important:

*The main challenge is lack of finances. We have a lot of projects we want to implement but because we do not have enough funds we are unable to run these projects (Employee).*

The lack of CSI knowledge was somehow a challenge. The reason why most SMEs do not implement CSI initiatives was because they lack CSI knowledge. It is impossible to carry out something effectively when you do not have the knowledge of how to go about it. That’s why many SMEs would want to implement CSI but they lack the knowledge. Lack of CSI knowledge among emerging SMEs hindered the implementation of CSI:
The understanding of CSI was seen as a very minor challenge. The poor understanding of CSI initiatives resulted in a firm not implementing CSI effectively. The responses on poor understanding of CSI initiatives were not significant. This challenge faces most of Namibian SMEs and it stands as a barrier to CSI implementation among the emerging SMEs. The emerging SMEs conceived that only large firms can engage in CSI.

A very big challenge that most SME are facing is the lack of CSI knowledge, that’s why many SME are still struggling with investing in social responsibility because they don’t know how to go about it (Manager).

5. CONCLUSION REMARKS AND IMPLICATIONS OF THE FINDINGS

Implementing CSI is a strategy most businesses are using to make sure they remain competitive in business. To be able to implement CSI and remain competitive, SMEs requires planning, which includes the way of acquiring funds. Abugre (2014), argue that CSI implementation is the day-to-day decisions, processes, practices and activities that ensure the firm meets the spirit and letter of its CSI strategy. This argument tallied with the findings of this study pronouncing that CSI successes rely heavily on the knowledge and skills of the firm practices and involvement in CSI.

It was found that CSI reaps a number of benefits to the SMEs. Slanting on this conception, it was thus worth for emerging SMEs to invest in CSI initiatives and bide to ethical behavior as part of the process. Managers ought to abide to ethics when implementing CSI portfolio. Tuan (2013), and Ting et al. (2010), reiterate that ethical behaviors motivate CSI in organizations, and that CSI awareness among employees brings about more resources for better CSI performance. In addition, CSI promote staff morale and loyalty.

The study further revealed that it is worthwhile or rather pay off for emerging SME’s to consider implementing CSI initiatives. It was evident that Lock and Key used the meager resources to implement CSI portfolios by selling goods at affordable cost and cared for the environment. The implementation of CSI portfolios will enable the emerging SMEs to attain stable business growth.

There are overflowing benefits that comes when a firm is engaged in CSI activities. Customers gained knowledge or become aware on the services that business invest in the community. In essence, customers are not looking for quality products only but are concerned about what happens around them and the type of investment that business plough back in addition or opposing to making profit. Responses revealed that CSI is important because it promotes development as it support the underprivileged in communities (Gokulsing, 2011, Melè, 2002). Other benefits include reputation, high profit, improved innovation, ability to attract employees, and customer loyalty and more specifically business competitive advantage (Ladzani and Seeletse 2012; Fenwick, 2010; and Brookes, Altinay and Ringham, 2014). Thus, business reputation and customer loyalty lead to a firm being competitive and hence promote growth.

The study findings further found that SMEs faces challenges that prevent them from engaging in CSI initiatives. The beliefs that only large firms should implement CSI initiative deter the participation of small firms in the CSI. The reason behind this perception was that many SMEs lack knowledge of CSI benefit, understanding of the concept. Moreover,
emerging firms do not sufficient capital to pursue this initiative (Ladzani and Seeletse, 2012; Fenwick, 2010). Despite the challenges, CSI stands out to be a way of doing business in many businesses, especially large firms. The findings from Lock and Key store study confirm that emerging SMEs could equally participate in CSI initiatives. Thus, SMEs that invest into the community attract customers, skilled employees and create business competitiveness. These factors are essential in attaining business growth.

To implement CSI portfolios, managers are seen as important agents in motivating the top executives and employees (Shinnaranantana et al., 2013). Managers play a huge role in CSI implementation. Managers are influential in encouraging ethical behavior of employees and lead the firm in implementing CSI portfolios. The finding of this study revealed that managers ensured that employees were aware of CSI- inputs and outputs. Attainment of the objectives of CSI depends largely on the managers’ willingness to pursue CSI initiatives. Managers have role in informing employees the importance of reaching out to the community and helping in reaping benefits out of the services that business renders to the community. In essence business has obligation of ensuring that philanthropically services are affordable and consumable by the majority.

It was found that Locke and Key use a different method of reaching up to the community. The CSI method involved collecting scrap metals from environment, recycle, produce keys and sell them to the community at an affordable price. Hypothetically, Locke and Key uses Bottom of the Economy Pyramidal theory in implementing its philanthropic obligation to the community. In addition, the Locke and Key directly offer employment, care for environment and offered affordable services to the community. An excellent example of pyramid business approach that suits small economies is Chines business, kapana sellers, street venders etc. Such businesses reap benefits by selling products that are in high demand, in affordable prices.

In essence, the extent to which emerging SMEs consider their services as investments to the community (CSI) is not that much comprehended. In actual fact, the CSI concept has been misconstrued as business commitment that directly involves injecting monetary service to the community using accrued profits. It emerged that emerging SMEs don't make much profit to be able to plough back to the community. As such, emerging SMEs tend not to value CSI and refrain from engaging into the initiative. Thus, the ability of emerging SMEs to attract customers, gain competitive advantage, attract skillful employees, and act as citizenry in order to attain business growth is sluggish.

5.1 Recommendations
Based on the concluding remarks, the researcher is prompted to give some recommendations as:

- Firms should research and plan on how to implement CSI initiatives in their daily activities, especially the emerging SMEs.
- SMEs managers need to take CSI initiatives serious as it is a strategy that most successful businesses are using to enhance their business growths.
- Firms need to understand that the benefits that come when a firm is engaged in CSI lead to business growth; hence SMEs should consider implementing CSI.
- SMEs should look beyond the challenges of CSI implementation and attempt to find means to engage in CSI initiatives because such initiatives are beneficial to both the firm and the community.

5.2 Future research suggestions
The results of this study form a springboard for further research to address CSI implementation among the emerging SMEs in Windhoek, Namibia with larger sample size. There is evidence that most of the respondents in this study had almost similar answers to
the research questions. Therefore, in future a different study design applying a variety of methods could yield a broader understanding of CSI among the emerging SMEs. Future research should also concentrate on how emerging SMEs can implement CSI effectively. A wide study should look at the processes involved implementing CSI and suggest on how to acquire and fund CSI portfolios. An applied research and explorative in nature should pave way on how emerging SMEs can participate in CSI portfolio despite the meager resources since the major finance is seen as a major challenge faced by SMEs when intending to implement CSI.

5.3 Conclusion
This research was based on how CSI can be implemented and how it leads to business growth of SMEs. Since the study was a descriptive one, the literature on CSI were reviewed and tallied. This was made possible by analyzing the research objectives and the data derived from research questions. Planning of CSI was essential in yielding positive result of CSI portfolio investment. As such, the managers’ participation and commitment was essential. Participation of managers in implementing CSI boosts the employees’ commitments. It is logical concluding that CSI results in good company reputation and it attracts skillful and qualified employees. Surprising, CSI was misconstrued and there was lack of understanding of its importance. In essence, the emerging firms conceived it difficulty to implement CSI. Insufficient funds were seen as a major obstacle. Contrary to this conception and of interest to emerging SMEs was that some specific CSI portfolios are not cash intensive. This was applicable to Lock and Keys as it collects metals convert them into keys and sell to the community at an affordable price.

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