

**THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITIES ON SPORTS-
BASED SPONSORSHIP: A CASE STUDY OF MOBILE TELECOMMUNICATION
COMPANY NAMIBIA**

**A THESIS SUBMITTED IN PARTIAL FULFILMENT OF THE
REQUIREMENTS FOR THE DEGREE
OF
MASTER OF BUSINESS ADMINISTRATION (MANAGEMENT STRATEGY)**

**FOR
THE UNIVERSITY OF NAMIBIA**

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APRIL 2019

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ABSTRACT

International and local organisations in Namibia such as the Mobile Telecommunication Company (MTC) have prioritised corporate social responsibility (CSR). Since MTC's inception, it has become a common practice for the company to provide financial assistance as well as sponsorship in various forms to the Namibian populace, specifically the sport fraternity. This study sought to investigate the impact that MTC sport based corporate social responsibility has on the sport fraternity in Namibia. The study employed a mixed method approach in gathering data. ATLAS Ti and SPSS software was used to analyze data for this study. This study used both quantitative and qualitative research methods to investigate the impact of corporate social responsibility on sports-based sponsorship at MTC. Face-to-face interviews were carried out.

The study found that there is a link between CSR and brand promotion and MTC engages in CSR in order to add value to its brand. It is a strategic marketing tool for its product, helps create brand loyalty amongst its customers, creates brand awareness, helps in positioning as well as entrenching the MTC brand amongst Namibia's populace for growth. The study also found out that sport is a means of livelihood, particularly for the sports men and women. Since the sponsorship from MTC was introduced, there has been a lot of improvement in sport as well as in the lives of the footballers, boxers and their families. Sports men and woman are now able to earn from sport and sport is currently a reliable source of income. The study concluded that in order for all companies to invest in CSR the Namibian government should introduce a sports levy to make it mandatory for companies to invest in CSR. The outcome of this study highlights the benefits of CSR as powerful strategy for business to partake in the global sustainable development and well-being of society.

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ACKNOWLEDGEMENTS

I would like to give profound acknowledgement and gratitude to:

- God, The Creator. It is because of your mercy that I have managed to complete this research. You knew me before I was born and the plans that you have for me. Thank you for being with me all along, you have shown me who you are and that has strengthened my faith. You taught me how to love and appreciate. Lord, thank You for all the blessings.
- My family: Meme Martha Kalumbu, Jambeko Shipena, Hikka Shipena, James Jr, Angel Abel, Namvula Shipena, my uncles, aunts and cousins thank you for showing me LOVE.

DEDICATION

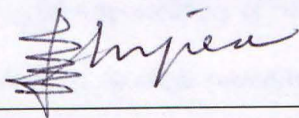
I dedicate this project to my late father Joab “Sooroh” Shipena and my mother Martha Kalumbu. You showed me the way at a very young age.

DECLARATION

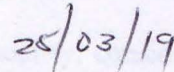
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Date

CHAPTER ONE

BACKGROUND AND SCOPE OF THE STUDY

1.1 INTRODUCTION

In the global world of doing business, corporate reputation and image play the most critical role in the achievement of business goals. The route that most enterprises have taken to achieve these goals is in engaging in philanthropic activities such as sport (Telmel & Sirin, 2017). Corporate Social Responsibility (CSR) in sport has become a common practice for businesses across industries globally (Porter & Kramer, 2006). This chapter introduces the study. It outlines the background to the problem, significance and objectives of the study, problem statement as well as the limitations of the study. Lastly, the chapter presents the structure of the thesis.

1.2 RESEARCH BACKGROUND

Corporate social responsibility (CSR) is ‘the obligation of the firm to use its resources in ways to benefit society, through committed participation as a member of society, considering the society at large, and improving the welfare of society independent of direct gains of the company’ (Kok *et al.*, 2001). There is ongoing debate regarding definitional issues of the concept. However, the consensus definition of CSR ‘encompasses the fundamental responsibilities of the company and all of its contributions to sustainability, irrespective of whether the activities concerned form part of (built-in) or lie outside (bolt-on) its ordinary business activities (Wolff & Barth, 2005).

1.2.1 Corporate social responsibility in Namibia

In embracing the concept and practice of CSR described above, corporate entities such as Pick 'n Pay Namibia, Bank of Namibia, First National Bank, Telecom Namibia, Sanlam and MTC have been seen to co-opt the social responsibility strategies in different forms. However, Österman (2014) states that companies in different industries use CSR for different reasons. Literature indicates a myriad of studies on CSR and sport sponsorship mostly emanating from western countries as well as from South Africa. The reasons why certain companies in Namibia do not engage in some form of corporate social responsibility is that, such programs do not provide a matching return on investment, coupled with restrictions in corporate budgets (Tran, 2015). Studies conducted globally have shown that Corporate social responsibility (CSR) has become common practice for corporates (Porter & Kramer, 2006) which has seen many of these businesses incorporating CSR into their strategies (Walker & Kent, 2009). In the context of Namibia, MTC has focused on CSR in sport as a way of giving back to the society that it operates in.

1.2.2 MTC and Sport sponsorship

The involvement of MTC in sponsoring sport has been notable in the Namibian landscape. This has laid a challenge to other corporates who are not engaged in any CSR activity. Smith and Westerbeek (2007) contend that sport has the ability to attract and bring individuals within communities together. Corporates who engage in sport-related investments assist in meeting social responsibilities, a requirement that the government calls for in meeting its societal objectives. Sponsors of sport have the propensity of improving business as it improves the company's image and the marketing of products to large crowds (Temel & Sirin, 2017).

1.3 STATEMENT OF THE PROBLEM

Various organisations in Namibia engage themselves in CSR, whereas, other organisations seem rather reluctant when it comes to giving back to the communities in which they operate. Despite this phenomenon, it has become a common practice for the Mobile Telecommunications Company (MTC) to provide financial assistance as well as sponsorship in various forms to the Namibian populace, specifically the sporting fraternity. The study investigated the reason why MTC invest in CSR and what impact does MTC's investment in CSR have on the communities when they sponsor various sport codes.

Paro and Boechat, (2008) states that CSR driven programs tend to alleviate socio-economic imbalances such as poverty, hunger, violence, and inadequate public services that affect public schools and hospitals. However, this form of philanthropic act does not involve all business organisations.

The sponsorship of sports has been known to play a pivotal role in promoting the social integration and economic development of countries (United Nations, 2005). In the absence of such engagement by businesses in strengthening social networks in promoting peace, tolerance and justice, the problems of socio imbalances can be problematic for the government to solve alone (Ngwenya, 2010)

A systematic review of literature conducted by the researcher indicates that most of studies that have been conducted in CSR in sports emanate from the western countries and South Africa (Ngwenya, 2010; Hakala, 2015; Bason & Anagnostopoulos, 2015) and a few from Namibia. The only notable study conducted in Namibia was undertaken by Littlewood (2015) whose study explored the relationship between CSR and sustainable development in the context of mining.

1.4 PURPOSE OF THE STUDY

The study sought to explore the reasons why MTCs engages itself in corporate social responsibility, particularly in sport-based CSR in Namibia.

1.5 RESEARCH OBJECTIVES

This study was guided by the following research objectives:

- a) To establish the reasons for MTC's engagement in sports-based corporate social responsibility initiatives.
- b) To establish how more companies can be involved in Corporate Social Responsibilities in Namibia.
- c) To establish whether there are notable improvements since MTC started sponsoring various sport codes.
- d) To examine the link between investing in corporate social responsibility and brand promotion.

1.6 SIGNIFICANCE OF THE STUDY

According to Kothari (2004), the significance of a study pertains to the larger issues of a study and the justification for undertaking the study. This study was prompted by the need to involve all commercially viable business entities in assisting the government to achieve its societal national objectives. The outcome of this study should highlight the benefits of CSR, which may bring awareness to corporates who have not embraced the philanthropic spirit of giving back to the society. Littlewood (2015) contends that CSR is a powerful strategy for businesses to partake in the global sustainable development and wellbeing of society. In addition, the study

should contribute to the body of knowledge and literature relating to sport-based CSR in Namibia.

LITERATURE REVIEW

1.7 LIMITATION OF THE STUDY

All research studies are bound to be affected by certain limitations. This study's limitation pertains to the cost constraints considering that the researcher is self - sponsored and would bear all the expenses associated with the study. Time was also a major limiting factor in a sense that the respondents were too busy and occupied with other work.

1.8 DELIMITATION

Delimitations in this study pertained to the objectives and variables of interest. The geographical area and organisation investigated were additional delimitations (Cook & Farmer, 2015: 332). This study was confined to MTC in the Khomas region. The study also just focused on CSR and not other marketing activities.

1.9 SUMMARY

This chapter introduced the research topic and the background of the research problem. The research objectives were articulated. The chapter also highlighted the significance and limitations of the study. Finally, important terms of the research were defined and also a layout of the thesis was given. The following chapter presents the extant literature pertaining to the research the topic.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

Aras and Crowther (2010, p. 11) define CSR as a concept whereby companies integrate social and environmental concerns in their interaction with their stakeholders on a voluntarily basis. Being socially responsible means not only fulfilling legal expectations, but also going beyond compliance and investing more into human capital, the environment and relations with stakeholders. Scott (2007, p.31) accentuates that CSR is about understanding and managing the relationship between our trading operations and the economy, environment and communities within which we operate. Kok and van der Wiele (2001, p.287) explain further that, CSR is the obligation of the firm to use its resources in ways to benefit society, through committed participation as a member of society, considering the society at large, and improving the welfare of society independent of direct gains of the company. Mohr (2001) states that, corporate social responsibility is a company's commitment to minimising or eliminating any harmful effects and maximising its long-run beneficial impact on society. The dimensions of corporate social responsibility specify important areas of responsibility, such as obeying laws and ethical norms, treating employees fairly, protecting the environment, and contributing to charities. It is against the latter that one may understand that corporate social responsibility is about corporations' attempt to deal with issues that affect communities and the environment resulting from their operations within such communities and the environment.

Regarding its role, Moir (2001, p.37) opines that corporate social responsibility increasingly covers a wide range of issues such as plant closure, employee relations, human rights, corporate ethics, community relations and the environment. Siltaoja and Malin (2015) state that the concept of corporate social responsibility has been used to describe the voluntary activities

undertaken by firms that are expected to contribute to social and environmental welfare beyond the sole focus on economic welfare. Depending on the context, such practices can include a focus on long-term economic responsibilities, social responsibilities, philanthropic activities and community programmes and employee programmes focusing on diversity policies, work–family balance and safety issues. Environmental responsibility often comprises practices such as the use of environmental performance measurements, renewable energy, life-cycle assessments and environmental systems.

Tai and Chuang (2014) state that corporate social responsibility is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered stakeholders. Social responsibility is a responsibility and obligation to protect, foster, increase and enhance the benefit of stakeholders and social people (ibid). Corporate social responsibility was also called corporate citizenship. Corporate social responsibility was mainly influenced by four core components: accountability, transparency, competitiveness, and responsibility; while developing business strategies, companies taking accountability and transparency as priority would strengthen their competitiveness and generate responsibility and in turn lead to corporate social responsibility.

Schultz and Castelló (2013) state that corporate social responsibility is often regarded as one of the best ways for businesses to address social problems and maintain legitimacy. It is often discussed as a corporate or state instrument to reach organisational aims by simultaneously supporting societal aims such as higher financial performance and social prosperity, reputation and social engagement, employee identification and social change, and establishing corporate influence while overcoming poverty, unemployment, and low levels of education.

Bénabou and Tirole (2010) insinuate that corporate social responsibility is about sacrificing profits in the social interest. For there to be a sacrifice, the firm must go beyond its legal and contractual obligations, on a voluntary basis. Corporate social responsibility thereby embraces a wide range of behaviours, such as being employee-friendly, environment friendly, mindful of ethics, respectful of communities where the firm's plants are located, and even investor-friendly. Sometimes, the call for duty extends beyond the corporation's immediate realm and includes supporting the arts, universities and other good causes. Jenkins (2005) argues that if firms are driven by short-term financial profitability, they may not make the long-term investments necessary to promote human development or benefit the poor. Corporate social responsibility contributes to the creation of more employment for poor people or help reduce poverty in other ways, such as raising wages or providing greater stability of income. The requirement to pay the legal minimum wage or a 'living wage' could be seen as a way of ensuring that companies do not pay wages which are below the poverty line. Equal pay for women can also be seen in this light where many poor households have female heads.

According to Bhattacharya and Sen (2010) a company can focus on its commitment to a social cause in various ways, including donating funds, in-kind contributions or providing other corporate resources such as marketing expertise, human capital, research and development capability dedicated to a cause. There are several aspects of commitment: the amount of input, the durability of the association and the consistency of input. According to Garriga and Melé (2004) corporate social responsibility does not mean the same thing to everybody. To some it conveys the idea of legal responsibility or liability. However, to others it means socially responsible behaviour in the ethical sense; to still others, the meaning transmitted is that of responsible for in a causal mode; many simply equate it with a charitable contribution; some take it to mean socially conscious; many of those who embrace it most fervently see it as a mere synonym for legitimacy in the context of belonging or being proper or valid; a few see a

sort of fiduciary duty imposing higher standards of behaviour on business men than on citizens at large.

Joseph (2009) states that corporate social responsibility is expected to be integral to business today. It has also become the password to not only overcome competition but to ensure sustainable growth. It has been supported by the shareholders and stakeholders, by and large, encompassing the whole community. Corporate social responsibility in reality is the alignment of business operations with social values. It considers the interests of stakeholders in the company's business policies and actions. It focuses on the social, environmental, and financial success of a company - the so-called triple bottom line - with the aim to achieve social development while achieving business success. According to Baumol (2014) universities, hospitals, and cultural enterprises, such as museums and orchestras have grown increasingly dependent on such resources. This often is considered a very good thing, understandably applauded by the hard-working fundraisers for these organisations, which constantly find themselves threatened by debilitating financial shortages. Indeed, it would seem that only the mean-spirited could take issue with such philanthropic acts that keep our national cultures alive and healthy. Certainly, the pressures that underlie this view of the world are worthy of sympathy.

1.2 THE IMPORTANCE OF CORPORATE SOCIAL RESPONSIBILITY

Bhattacharya and Sen (2001) state that, corporate social responsibility, also referred to as prosocial corporate endeavours or corporate social performance. It has traditionally been conceptualised rather broadly as the managerial obligation to act to protect and improve both the welfare of society as a whole and the interest of organisations. Alternative perspectives on the role and place of companies in the broader social environment have engendered multiple conceptualisations of corporate social responsibility ranging from a purely economic one to,

these stakeholder groups allocate resources to capitalise on their obligation to an often important stakeholder group or their investors that benefit most when the conditions of the

more recently, a comprehensive proactive social responsiveness view that articulates a company's long-term role in a dynamic social system.

In relation to the foregoing definitions and views mention, it can be said that the Mobile Telecommunication Company (MTC) has maintained its status of being the leading Namibian corporate when it comes to corporate social investment in the areas of sports, ICT, health and education. This study specifically focused on the effects that MTC's involvement in sport through its corporate social responsibility programme have on the beneficiaries at various levels. In MTC's 2015 annual report it is related that: the purpose for the company's investment in sports is two-fold: firstly, because sports is a unifier, and secondly because MTC wants to create role models that will inspire the youth of Namibia to become anything they want to be. With an investment of over N\$15 million per annum, MTC has been the sole sponsor of the MTC Namibia Premier League and the First Divisions that employs over 500 young players. It is also notable that MTC has expanded its corporate social responsibility programme to other sport codes such as; rugby, cricket and boxing. It is on the above-mentioned sport codes that this study placed its focus in order to understand the impact that MTC's involvement in such activities has.

2.2 THE IMPORTANCE OF CORPORATE SOCIAL RESPONSIBILITY

Kaleen (2012) states that corporate social responsibility is an important business strategy because, wherever possible, consumers want to buy products from trustworthy companies, suppliers want to form business partnerships with reliable companies, employees want to work for respectable companies and NGOs, increasingly, want to work together with companies seeking realistic solutions and innovations in areas of common concern. Satisfying each of these stakeholder groups allows companies to capitalise on their obligation to any other important stakeholder group or their investors that benefit most when the conditions of the

other stakeholder groups are being met. According to Rahim and Tajuddin (2011) by engaging in corporate social responsibility activities, corporations will gain better recognition as responsible corporate citizens from the perspective of international and local investors. The traditional view of business is essentially to maximise profits. However, the traditional views are no longer accepted in today's business environment, where, as a result, corporations have adopted the concept of corporate social responsibility, which is concerned with economic, environment, and social performance. Of late, the broader concept of corporate social responsibility has been introduced, where the corporation's concern is seen to be shifting to broader components of corporate social responsibility, which includes stakeholders as one of the most important components while not forgetting effects on the environment or society”.

Smirnova (2012) states that being socially responsible may bring enormous benefits to a company such as increased profits, more protection of company's brands, intellectual property and goodwill, building customer loyalty, increased sales and market share, increased purchase behaviour, higher customer satisfaction and market value of a firm. There may be some other benefits which may include improvement of company image and reputation, increased support from the community, and higher employee morale. Jenkins (2005) insinuates that corporate social responsibility has become a major focus of interest not only for corporate managers but also for development practitioners, both within the NGO community and within the multilateral and bilateral development agencies. Development NGOs have, for the most part, been extremely critical of the voluntary initiatives undertaken by the corporate sector.

According to Chaudhary (2009), the companies will attain the following benefits if they are socially responsible: boost in brand image and reputation; customers are often drawn to brands and companies with good reputation in corporate social responsibility related areas. A company considered socially responsible can benefit both from its enhanced reputation with the public

as well as within the business community, increasing a company's ability to attract capital and trading partners:

- a) Increased sales and customer loyalty, a number of studies have suggested a large and growing market for the products and services of companies who are perceived to be socially responsible;
- b) Reduction in operating costs, corporate social responsibility initiatives help reduce operating costs dramatically;
- c) Higher productivity and quality, company's efforts to improve working conditions lessen environmental impacts or increase employee involvement in decision-making often lead to increased productivity and reduced error rate;
- d) Attract and retain employees, companies perceived to have strong corporate social responsibility commitments often find it easier to recruit and retain employees, resulting in a reduction in turnover and associated recruitment and training costs;
- e) Reduced regulatory oversight, companies that demonstrably satisfy or go beyond regulatory compliance requirements are given free reign by both national and local government entities.

According to Jamali and Mirshak (2006) corporate social responsibility in recent years has stemmed from the advent of globalisation and international trade, which have reflected in increased business complexity and new demands for enhanced transparency and corporate citizenship. Moreover, while governments have traditionally assumed sole responsibility for the improvement of the living conditions of the population, society's needs have exceeded the capabilities of governments to fulfil them. In this context, the spotlight is increasingly turning to focus on the role of business in society and progressive companies are seeking to differentiate themselves through engagement in corporate social responsibility.

Jenkins and Yakovleva (2006) accentuate that corporate social responsibility is a helpful conceptual framework for exploring the corporate attitude of companies towards stakeholders. For the mining industry, corporate social responsibility is about balancing the diverse demands of communities, and the imperative to protect the environment, with the ever-present need to make a profit. Corporate social responsibility calls for a company to respond not only to its shareholders, but also to other stakeholders, including employees, customers, affected communities and the general public, on issues such as human rights, employee welfare and climate change. For the mining industry, one outcome of the corporate social responsibility agenda is the increasing need for individual companies to justify their existence and document their performance through the disclosure of social and environmental information. The finite nature of non-renewables, the diverse environmental impacts associated with their extraction and use, the economic importance of primary extraction industries in some countries, and the social impacts of extraction activities in local communities have led the mining industry to be amongst the most prolific disclosers of social and environmental information. Most large mining companies now disclose information covering dimensions of corporate social responsibility such as social and environmental performance, health and safety issues and ethics.

According to Sharma (2011) there is a variety of initiatives under the corporate social responsibility banner in corporate houses. These initiatives can be broadly categorised under three heads: First comes those that can be considered to be philanthropic. Almost all the corporate houses studied are giving donations towards some cause or the other. These range from donations of computers, old clothes, books to libraries, holding blood donation camps, donations to orphanages, hospitals, donations in cash or kind to homes for the aged and scholarships for the weaker sections of the society especially the scheduled castes and scheduled tribes. Donations during disasters and free veterinary assistance were other modes

of philanthropy. None of these activities is sustainable and is more in the form of financial contribution or contribution in kind. These initiatives have been taken as a good cause. The second set of initiatives is those that fall in the domain of infrastructure development. Many of the corporate houses studied are involved in infrastructure development; be it building of roads, community centres, schools, tube wells, providing technical assistance and infrastructure facilities in electricity generation or distribution in select villages that are without electricity. Some are also involved in enhancement of already existing infrastructures in the community in the vicinity of the corporate house, for example adding rooms or constructing separate toilets for the girls in government schools.

Joseph (2009) states that companies tend to give away financial resources to NGOs or organisations or charities and this continues to be the favoured route. Others set up their own in-house foundations such as Infosys and Wipro. Corporate social responsibility is qualitatively different from the traditional concept of corporate philanthropy. It acknowledges the debt that the corporation owes to the community within which it operates, as a stakeholder in corporate activity. It also defines the business corporation's partnership with social action groups in providing financial and other resources to support development plans, especially among disadvantaged communities. The emerging perspective on corporate social responsibility focuses on responsibility towards stakeholders (shareholders, employees, management, consumers and community) rather than on maximisation of profit for shareholders. There is also more stress on long-term sustainability of business and environment and the distribution of well-being (Walters, 2009). Implementing a strategic CSR approach can deliver a range of benefits including the protection and improvement of corporate reputation, competitor differentiation and brand loyalty development, which can lead to improved financial performance.

2.3 SPORTS AND CORPORATE SOCIAL RESPONSIBILITY

Smith and Westerbeek (2007) present seven unique features to justify their claim that sport could be used as a vehicle for deploying CSR: a) the popularity and global reach of sport can ensure that sport CSR has mass media distribution and communication power; b) sport CSR has youth appeal, children are more likely to engage in a CSR programme if it is attached to a sport organisation or a sports personality; c) sport CSR can be used to deliver positive health impacts through programmes and initiatives designed around physical exercise; d) sport CSR will invariably involve group participation and therefore aid social interaction; e) sport CSR can lead to improved cultural understanding and integration; f) particular sport activities may lead to enhanced environmental and sustainability awareness; g) participating in sport CSR activities can provide immediate gratification benefits.

Furthermore, the deployment of corporate social responsibility through sport offers substantial potential for community return. The mobilisation of sport as a vehicle for contributing to corporate efforts toward social responsibility can be seen as a distinct opportunity for both the organisations in charge of sport and those that seek to use sport in their efforts to make contributions to communities. Sheth and Babiak (2009) state that sport franchises are not different from other companies in their intent to earn profit and positively impact of the economy in the cities in which they operate. Although sport teams are not major employers per se, they can have considerable economic impact on a city, evidenced primarily in the spending generated by fans. The economics of professional sport teams lie in the principles of buying and selling goods and services and labour. Unlike traditional businesses, sport franchises are valued on their revenues, rather than cash flows and assets. Each league shares different revenue streams at different levels, including gate receipts, broadcasting rights fees, luxury boxes, club seats, concessions, advertising and membership fees. Revenues affects the type of

players a team can afford, but questions remain regarding the connection between revenues and CSR activity.

According to Levermore (2010), sport contributes to international development in the following categories: individual development for the able bodied and disabled (emphasis on empowerment especially through education); promoting health, health awareness and disease prevention; promotion of gender equity; social integration (particularly, through communication and social mobilisation); peace building and conflict prevention or resolution; post-disaster trauma relief; and economic development (including building infrastructure).

The sporting industry is flourishing and sports have become increasingly connected with other commercial sectors. Therefore, 'commercialisation' is the fourth transversal issue of the course. Television, merchandising and major sporting events are strongly related. In Leicester, postgraduates would look at the origins and evolution of these links; in Milan they would concentrate on the economic and financial strategies of the sporting industry; while in Neuchatel they would familiarise themselves with sponsorship contracts, TV contracts and intellectual property rights in the field of sport (Levermore, 2010).

2.4 BRAND PROMOTION AND CORPORATE SOCIAL RESPONSIBILITIES

Alcañiz and Pérez (2010) mention that for consumers, brands play an essential role in identifying and differentiating products and services through their symbolic nature. Brands serve as signals of the position of products and companies on the market, allowing consumers to create judgments and consider choosing them. There is, however, tension between company and consumer expectations of corporate social responsibility actions; while companies seek to instrumentalise their social commitment, consumers prefer not to capitalise on that commitment. Consumers tend to prefer socially responsible companies but they often appear

initially unconvinced about such practices. In short, consumers especially do not want to feel cheated or manipulated by companies, nor do they want companies to exploit and use their ties with social causes in their own interest. The credibility of a company in its association with social causes is a key point for deactivating the tension between company and consumers in a corporate social responsibility context. Consumers use company credibility as a means to judge and deactivate their initial scepticism about the company social initiative. So, they respond and place greater value on any corporate social responsibility initiative developed by a socially credible company, credibility improves positive responses to a cause-brand alliance because the brand can efficiently accomplish its function of signalling the company's (socially responsible) position on the market. Companies benefit from engaging in CSR activities, not only by obtaining favourable consumer awareness, attitude, and a sense of attachment but also by building positive corporate image and good reputation in the long run. However, a key distinction between CSR initiatives and other marketing mix attributes is that the company, the consumers, and even the focal social issues all benefit from CSR.

According to Hur and Woo (2014) consumers do not want a company to take advantage of its relationships with them nor do they want to feel cheated due to egoistic CSR motivations. When consumers regard CSR activities as stemming from a company's sincere moral behaviour, they tend to trust the company in the belief that it would continue to keep its promises. In particular, the company's CSR activities are considered to create a trusting relationship between the company and the consumers in the global market. Trust is a fundamental asset in business. From a CSR perspective, trust is the consumers' expectation of socially responsible or ethically justifiable behaviour. Accordingly, we introduce corporate brand credibility, which is based on consumer trust as a mediational pathway linking CSR perception to corporate reputation and brand equity.

Previous research has focused on the effectiveness of CSR outcomes and has neglected the relationships among such outcomes and the phase of pathways. Corporate reputation is a valuable intangible asset for a company and plays a role as a signal of the company's key characteristics and as a source of competitive advantage. Thus, consumers rely on corporate reputation to judge the company's product or service when faced with a lack of information about a product or a company. A good reputation protects the company from consumer perceptions of negative information. Corporate reputation is a result of a company's management actions and behaviour, and CSR engagement can be the most effective action to gain a competitive advantage. Therefore, many companies justify CSR actions because they would improve a company's image and establish a good reputation. Thorne and Berns (2010) state that a company's engagement in CSR activities enhances corporate reputation; as an extrinsic motivation. For sports organisations, branding is also a key component of the sports product. Sports organisations take great care in establishing a brand mark or logo, establishing brand identity, and developing brand equity. The objective of the branding process is to develop brand knowledge and awareness among consumers for a particular team or league that will lead to brand loyalty. This loyalty to the team is critical for the long-term survival of a professional sports team that may be subject to periods of lacklustre on-field performance. In addition, brand development enables the organisation to consider product licensing opportunities, sponsorships, and other revenue sources.

Walter (2009: 83) indicates that organisations have shifted from the perception of CSR as a charitable activity to that of an integrated part of strategic management whereby an organisation incorporates CSR activities with business operations that add value to the business implementing a strategic CSR approach can deliver a range of benefits including the protection and improvement of corporate reputation, competitor differentiation and brand loyalty development, which can lead to improved financial performance.

2.5 CORPORATE SOCIAL RESPONSIBILITY AND FINANCIAL PERFORMANCE

According to Moore (2001), the comparison of corporate social performance with corporate financial performance has been a popular field of study over the past 25 years. The results, while broadly conclusive of a positive relationship, are not entirely consistent. In addition, most of the previous studies have concentrated on large-scale cross-industry studies and often with a single variable for corporate social performance, in order to produce statistically significant results. This weakens the richness of understanding that might be obtained from a single industry study with multiple social variables, which would also allow investigation of inter-relationships between individual and sub-sets of social performance measures and between individual and sub-sets of social performance and financial performance measure.

Branco and Rodrigues (2006) state that corporate social performance depends on financial performance and that the sign of the relationship is positive. They interpret their findings as firms with slack resources potentially available from strong financial performance, which may have greater freedom to invest in social responsibility activities, and that those investments may result in improved corporate social performance. Financial performance also depends on social performance. The positive impact of social performance on financial performance is understood as being due mainly to reputation. Whereas, the influence of financial performance on social performance is easily understood as the former provides the resources required for investments in socially responsible activities.

Graafland and van de Ven (2006) companies have different reasons for developing and implementing an active corporate social responsibility policy and companies are more likely to contribute to corporate social responsibility if they believe that corporate social responsibility pays off in the long run. The firm's efforts with respect to corporate social responsibility would have a positive influence on our financial results in the long term. There

are several ways in which corporate social responsibility could affect profitability and it could also improve the company's reputation in the consumer market. The financial motive is not the only reason to contribute to corporate social responsibility. Many companies have a business culture that is committed to certain business principles, including moral duties. If certain actions (classified as socially responsible) tend to be negatively correlated with financial performance of firms, then managers might be advised to be cautious in this area. Joseph (2009) states that, corporate social responsibility is also seen as basically a new business strategy to reduce investment risks and maximise profits by taking all the key stake-holders into confidence. The proponents of this perspective often include corporate social responsibility in their advertising and marketing initiatives.

It has been argued by Baden and Harwood (2013) that the countless attempts to justify corporate social responsibility in terms of corporate financial performance have been an unproductive use of time which could have been much better spent looking at how the corporate social responsibility initiatives actually affected society in other words, their social impact rather than their financial impact. Such efforts have also been argued to be counter-productive because, not only can the financial impact of corporate social responsibility not be established, the effort spent trying to establish a causal link between corporate social performance and corporate social performance has helped to perpetuate the assumption that corporate social responsibility can - or even should be justified in terms of corporate social performance. This seems contrary to what corporate social responsibility is actually supposed to be about, for if it was genuinely about social responsibility, then its relation to corporate social performance should be moot. Indeed, it is illogical to look for corporate social performance and corporate financial performance relationships as, according to her influential model of corporate social performance, corporate financial performance is a subcategory of corporate social performance.

Perrini *et al.*, (2013) point out that often-unstated assumption that the stronger a firm's involvement in corporate social responsibility programs and activities is, the higher the economic and financial value firms will be able to obtain. However, at the same time a substantial inconsistency in the results obtained emerges, in terms of both existence and direction of the correlation between the construct. Wettstein (2005) explains that from a rights-based perspective, a corporation does not only have the social duty to responsibly conduct its daily business, that is, to strive for legitimate profits. In situations where socially responsible business conduct might be undermined by the 'necessities' of the market, it also has a political role to fulfil.

Peng and Yang (2014) state that the relationship between corporate social responsibility and financial performance is found to be largely inconclusive and some studies have found a negative relationship and suggest that firm investment in corporate social responsibilities diverts funds that could be used for productive investments. Other studies have found a positive relationship and suggest that not only may corporate social responsibility be considered as a business objective in and of itself but that it serves as a means to an end in regard to financial performance. However, still others have reported no relationship at all. While some attention has been paid to the association between corporate social performance and financial performance, the impact of corporate governance on corporate social performance and financial performance has received even less attention.

Engaging in corporate social performance is symptomatic of an agency problem or a conflict between the interests of CEOs and shareholders. In essence, agency theory provides a theoretical basis with which to describe the potential divergent and convergent interests between CEOs and other stakeholders and to predict how this affects corporate social performance.

2.6 SOCIAL RESPONSIBILITIES AND MULTINATIONAL COMPANIES

Wettstein (2005) states that global health-related public-private partnerships between multinational pharmaceutical companies and the World Health Organisation (WHO) illustrate an example of an increasingly co-operation-based influence of multinational companies in global policymaking. The general motivation underlying these partnerships is the insight or belief that 'in a world filled with complex health problems, WHO cannot solve them alone. The collaboration and coordination among the different actors can lead to a dimension of solutions not available from any single actor. The emancipation of the multinational corporation from the context of territorially bounded societies and an according shift of roles between various political, economic and societal actors poses new challenges to the field of corporate citizenship. This contribution will outline some of the normative issues at stake in this regard. It sketches some of the new responsibilities a multinational corporation must face in the global context and it aims at gaining clarification on their normative foundation.

Tai and Chuang (2014) state that there is a question of adequate compensation for the inevitable disruptions that an international business brings to a local community. Beneficial returns must be shared and sustained over the long term in an equitable manner and to all (people, planet even other countries). Corporate social responsibility is not only an everlasting soft influence power for enterprises but also the key influence power for sustainable whole world development. Citizenship Report changed its organisation from being pillar centered to being continent centered. In conceptualising global corporate social responsibility, it is difficult to cast programs as being entirely global or local. Instead, depending on their unique nature and the scope of implementation, global corporate social responsibility initiatives might fall along a continuum. In other words, whatever launching to domestic or to a global integrated

marketing campaign or on preparing to enter multinational markets, marketers or enterprises need to be internationally environmental aware and socially responsible.

According to Kotrajaras et al. (2011) foreign direct investment may play an important role for economic growth. Furthermore, foreign direct investment can possibly stimulate economic growth through the international trade channel by augmenting domestic capital for exports, helping the transfer of technology and the manufacturing of new products for exports, facilitating access to new and large foreign markets, providing training programmes for the local workforce and upgrading technical and management. Peng and Beamish (2008) state that when a firm's operation is constrained within national boundaries, the firm may behave in a socially responsible way due to the enlightened self-interest that it will be more profitable if it abides by its various social contracts. Bird and Smucker (2007) argue that for foreign direct investor to be socially responsible, first they must understand the institutional dynamics of the local communities in which they are located. Second, they must undertake to engage in open, non-intimidating communication with their constituents, including representatives from the host community. Third, they must ensure that their operations safe guard the sustainability, if not the improvement, of economic and social assets of the host community. These are demanding requirements, since priorities must be established and choices must be made on frequently ambiguous prognoses.

According to Frynas (2005) in a number of oil-producing countries, socially responsive oil multinational companies appear to have been favoured by the government in the award of oil and gas concessions. For instance, Chevron Texaco in Angola appears to have used its social investments strategically in its attempt to renew its stake in Block 0, Angola's most prized oil asset with an output of 400,000 barrels a day. Some Chevron Texaco staff admitted in private that the announcement of a \$50 million partnership among Chevron Texaco, USAID and

UNDP in November 2002 was timed to coincide with Block 0 negotiations. In early 2004, Chevron Texaco's concession was finally extended from 2010 to 2030. The company pledged a further \$80 million to a social fund. While Chevron Texaco's partnership with USAID and UNDP has had discernible developmental benefits in Angola, there has been controversy with regard to oil companies' payments to the Social Bonus Fund of the Angolan state oil corporation Sonangol, the Angolan president's Eduardo Dos Santos Foundation. Indeed, it has been suggested that this corporate 'social giving' has often served simply as another means of channelling money to Angolan government officials, with few developmental benefits.

Yakovleva and Vazquez-Brust (2012) state that the way in which multinational companies construct their corporate social responsibility orientation is important for developing countries with severe issues such as poverty, environmental degradation and poor institutional governance. Multinational companies are challenged to implement more corporate social responsibilities in their operations located in countries with poor governance and low levels of state provision of public services, human right protection or environmental protection. Multinational companies can be considered as actors and their corporate social responsibilities can be seen as a relational contract, negotiated with corporate stakeholders in host countries. How and what is framed as corporate social responsibility when shaping relational contract of multinational companies entering into new geographical locations would be of interest to both multinational companies and their global stakeholders, especially if host societies emphasise different values and have different views on the role of business in society.

According to Zhao *et al.*, (2014) the flawed institutional environment has been heavily relied on to account for multinational companies' misdeeds in developing countries. Compared to developed countries, China, India, and Russia feature problematic formulation and enforcement of the formal rules of the game and weak grassroots stakeholder supervision on

firm behaviour. Multinational companies' activities in developing countries before 1990s were to a large extent limited to establishing low-cost offshore production operations. At this time, multinational companies expanded their business quickly in emerging markets and drew extensive attention for their unethical behaviour. Local governments in China, India, and Russia at this time often adopted tacit rules of the game that loosen the request on multinational companies' compliance to environmental, labour, or consumer regulations. A combination of institutional deficiencies such as the insufficient attention or motivation in a bureaucratic governance system, the corruption, the weak regulation enforcement capability, and the lopsided focus on foreign direct investments has attributed to this situation. Multinational companies in emerging economies provide good examples with respect to corporate social responsibility, but then they have little choice other than to conform to their global corporate practices, which their fellow subsidiaries follow as dictated by their corporate offices worldwide.

2.7 SMALL AND MEDIUM ENTERPRISES AND CORPORATE RESPONSIBILITIES

According to Lepoutre and Heene (2006) the European Union definition for small enterprises, with inclusion of micro-businesses, as a starting point. Small businesses are those that have fewer than 50 employees and have a turnover or balance sheet total that do not exceed 10 million; they should be owner managed and independent. Jenkins (2006: 241). Businesses have come under increasing pressure to demonstrably engage in activities which are described as corporate social responsibility. Whilst many such activities come under legal compliance, such as environmental legislation, business is encouraged to go beyond this and assume roles previously occupied by the public sector, such as supporting education and becoming involved in the governance of communities. Corporate social responsibility has traditionally been

associated with large companies, but recognition of the growing significance of the SME sector has led to an emphasis on their social and environmental impact. Yet many such initiatives, and indeed much thinking about SMEs and corporate social responsibility, are based on a range of unfounded assumptions about SME behaviour. The SMEs tend to have a personalised style of management and lack formal management structures with specialised staff. These characteristics vary widely depending on individual personalities and differing ownership structures, and will influence the company's approach to corporate social responsibility.

Russo and Perrini (2010) states that corporate social responsibility is a different issue when applied to SMEs, because of the intrinsic differences between large firms and SMEs. Standards to implement corporate social responsibility may prove inappropriate for small firms because they have been developed thinking of large businesses. Size represents but one criterion; others include legal form, sector, orientation toward profit, national context, historical development, and institutional structures. Nair and Sodhi, (2012) insinuate that some of the most important factors influencing the nature and level of corporate social responsibility participation by SMEs are: sector; size; age and history (including whether or not the enterprise is family owned); geographic and cultural context; position in the value/production chain and nature of client relationships. Ethical and moral considerations are found to be the main drivers of corporate social responsibility amongst the SMEs. As a general rule, the smaller the enterprise, the greater would be the relative role of ethical and moral considerations as drivers for corporate social responsibility. The business case, where it exists, will often be unique to an individual enterprise and influenced by the societal context in which the company is working. True, SMEs are motivated by the perceived business benefits of corporate social responsibility. In the majority of cases, however, this is not the first or the most important motivation. The importance of the perceived business benefits as a motivating factor for engaging in corporate social responsibility and tends to increase with the size of the enterprise.

Vives (2006) states that because SMEs tend to be more labour intensive than large enterprises, they have a significant impact on employment and, as a result, their corporate social responsibility practices have a significant impact on society as whole, even if their contribution to the overall production of goods and services is not as large. In addition, they tend to contribute more to the equitable distribution of income and, because they provide employment and income to the less well-off, they help to provide social cohesion and stability. The generalised assumption that maximising profits is the main objective of larger firms may not be true for SMEs. Given the assumption of profit maximisation, corporate social responsibility practices in larger corporations are promoted by appealing to the bottom line (either currently or in the future, tangibly or intangibly). Although, many SMEs might not operate as profit-maximising firms and might, in fact, also have other objectives. This is not to say that SMEs are not concerned with profits. It means that they may be willing to forgo some profits (knowingly or unknowingly) to achieve other objectives, such as producing products that the owners/managers find satisfying to make, giving back to society, helping others who are less fortunate, and other such goals. The point is that 'satisfactory' profits (rather than 'maximum' profits) may be sufficient, and they may be willing to trade off some profit for other goals.

According to Ates and Büttgen (2011) local public enterprises play active roles in the development of local economies and societies, as they perform economic duties that simultaneously produce social added value. The relationship between such companies and society currently is in flux, because the social and cultural infrastructure cannot be financed by states to the same extent they used to be, which means gaps increasingly emerge. Jenkins (2009) insinuates that conventional approaches to corporate social responsibilities assume that large companies are the norm and have been predominantly developed in and for large corporations. Another assumption is that SMEs are little big companies and that advances to engage companies in corporate social responsibilities can simply be scaled down to 'fit' SMEs.

The SME sector is often perceived as homogeneous, the defining characteristic explaining its behaviour being size. While size is a factor, and many SMEs may conform to such views, there are other internal and external dynamics that explain their behavioural characteristics. The SME behaviour is often understood in terms of the psychological characteristics of the entrepreneur or 'owner-manager'; SMEs tend to have a personalised style of management and lack formal management structures with specialised staff. These characteristics vary widely depending on individual personalities and differing ownership structures, and will influence the company's approach to corporate social responsibilities. The most common form of SME is the owner-managed firm where ownership and control lie with the same person. This lends legitimacy to the personal decisions made on how to use company resources, such as on corporate social responsibilities related schemes, and allows a degree of autonomy in how corporate social responsibility is approached.

Verlag (2014) states that corporate social responsibility is mostly interpreted as the contribution of large enterprises, corporations to sustainability, although the behaviour of SMEs due to their important role in economic production and employment as well as their consumption of natural resources and the total emission they are responsible for, is also essential. As the local level is crucial and can be very effective in realising sustainable development, small and medium-sized companies that typically have closer relationship with local communities than large enterprises, have an important role in corporate social responsibility. It is a problem that corporate social responsibility tools are usually developed and available for large companies with special management practices and even SMEs committed to responsible behaviour lack appropriate corporate social responsibility tools and are often far from realising the advantages of their positive attitude.

According to Baden and Harwood (2013) a study of SMEs' views on corporate social responsibility terminology concluded that the term corporate social responsibility is not particularly functional or useful to express the range of community, environmental and social activities that companies engage in. The SMEs regarded the corporate social responsibilities terminology as inappropriate, in some cases even presenting an obstacle to their further involvement in such activity. They saw the need for a better choice of words and suggestions included- a focus on the totality of responsible business practice; use of action verbs that reflect the nature of the engagement with the community and environment, e.g. recycling; avoidance of perceptions of further regulation and bureaucracy; emphasis on the benefits and value to the business; and non-exclusive descriptors. The most favoured term was Community, Social and Environmental Responsiveness as it made particular reference to the community. However, this suggestion is founded on the attempt to make the term more palatable to SMEs who, by their nature, are often situated within specific communities, and thus risks being seen as less relevant to multinational companies. The term 'responsible entrepreneurship' has been proposed as a substitute for corporate social responsibility, to reflect the dynamic nature of the individual entrepreneur striving to contribute to sustainable development.

According to Lepoutre and Heene (2006) many small businesses attract clients and employees in the local community. As having a good reputation is of paramount importance to their competitiveness, small businesses would naturally engage in practices that are aligned with their stakeholders' wishes and behave socially responsibility. Furthermore, the entrepreneur, as a specific type of the small business owner-manager, is associated with personality traits that increase the likelihood of responsible behaviour. Many small business owner-managers have never thought about corporate social responsibility or believe that their social and environmental impact is negligible. Wettstein (2005) states that, it makes sense to assign a rights-based conception of corporate citizenship to local corporations that are operating within

well-defined political communities that is, typically nation-states. However, it is not as obvious whether the concept also applies to multinational corporations conducting business in a global sphere. Regardless, the concept of corporate citizenship is commonly applied equivalently to small regional companies as well as to the big multinationals, turning them into global citizens.

2.8 CORPORATE BOARDS, SHAREHOLDERS, CEO AND SOCIAL CORPORATE RESPONSIBILITIES

According to Roy (2009) boards have organised to assume their role associated with corporate social responsibility in different ways. In some instances, social-related issues are brought directly to the full board while, in other instances, companies and their boards have either decided to appoint one director of the board with responsibilities specific to social issues or created board-level committees with formal responsibilities over these issues. From a general perspective, the adoption of a board committee structure has been strongly recommended for large companies attempting to address some of their fundamental responsibilities more effectively. Boards are also increasingly establishing committees that focus on specific areas, including environment and risk.

The development of committee charters can be an important tool that may mitigate some of these problems. Through this process, committee members must come to an agreement about the scope of their responsibilities and how they will organise to discharge these responsibilities. This shared understanding can provide directors with clear direction regarding their role and improve committee efficacy. Jo and Harjoto (2012) argue that businesses can not only be profitable and ethical, they also should fulfil social responsibility obligations simultaneously. Corporate governance prevents overinvestment, the overinvestment explanation predicts an inverse association between corporate social responsibility and corporate governance in addition, because overinvestment will reduce corporate financial

performance, we expect a negative relation between corporate social responsibility and corporate financial performance. In addition, without using apposite conditioning variables, or considering endogenous treatment effects in which better-quality firms tend to choose corporate social responsibility engagement to begin with, the contribution of corporate social responsibility engagement to firm value and operating performance will be overstated or attributed incorrectly.

According to Hung (2011) corporate directors social responsibility roles refer to the actions taken by these directors in producing or inducing organisational, social and public policy outcomes that are favourable to the firm's continued survival and economic success. Two types of director's role – corporate social responsibility is identified, organisation-cantered and society-cantered. The first type of director's role - corporate social responsibility, which includes the direction-setting and guardian roles, is about the handling of the stake holders of business organisations. The second type of director's role - corporate social responsibility is about the positioning as well as the networking of organisations as stakeholders in the society and includes the social networking and social participation roles. Based on the interaction of these roles, it is posited that corporate directors, who perceive that they need to take care of the stakeholders of their organisations, are more likely to favour enhancing the image and protecting the interests of their organisations as stakeholders in the community.

Peng and Yang (2014) state that according to agency theory, separation of ownership and control leads to a divergence in the pursuit of managerial interests that are not in concurrence with owner interests and thus monitoring CEO decisions become essential for boards of directors in order to assure that shareholder interests are protected. In keeping with agency theory prescriptions, stronger managerial alignment will lead to maximisation of owner interests. An increase in managerial ownership can help with regard to the alignment of the

divergent interests of CEOs and shareholders. However, a controlling shareholder usually exercises control but owns only a small fraction of firm ownership as a result of the use of pyramidal control structures and cross-stockholdings in emerging markets. Thus, due of high control-owner ship disparities, these controlling shareholders have an incentive to pursue their private interests at the expense of other shareholders.

2.9 IMPORTANCE OF REPORTING TO STAKEHOLDERS IN CORPORATE SOCIAL RESPONSIBILITY

Many companies that invest in corporate social responsibilities require the beneficiaries to give reports on how funds were spent, how planned activities were undertaken and what are the challenges encountered. Other stakeholders in general are also often keen to know how effective and efficient the investment into a particular corporate social responsibility project is. According to Carroll (2004), business' major stakeholders include consumers, employees, owners, the community, government, competitors, and the natural environment. In the context of global ethics, the community is the community of host nations in which the firm is doing business, and the government represents all the separate sovereign nations that serve as hosts to investing multinational companies.

Kaptein and Wempe (2001) state that, the fact that a company reports on its progress in this area means that it is prepared to reveal vulnerability. This in turn will encourage stakeholders to contribute ideas. Reporting provides a way of checking that all the relevant perspectives have been included in the dialogue. Reporting is also important in ensuring that all stakeholders participating in a dialogue are aware of the discussions taking place with other stakeholders. This prevents a situation of the company entering into agreements with one stakeholder group that will affect other areas without the stakeholders concerned being aware of this. Setting up an internal reporting structure will also enable the board to monitor how corporate

responsibilities are being put into practice by the subsidiaries and departments, without this having to be arranged from above or having to make things compulsory. An annual or biennial report gives a structure to the accountability process, and helps to ensure regular statements of progress. Bénabou and Tirole (2010) state that stakeholders are often willing to sacrifice money, so as to further social goals. Stakeholders have some demand for corporations to engage in philanthropy on their behalf. According to Stanaland, Lwin and Murphy (2011) a firm must communicate its responsible behaviours to appropriate stakeholders and corporate communications. This does not only create awareness for corporate social responsibility initiatives but also presents corporate social responsibility as a bond between the firm and its stakeholders.

2.10 THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON EMPLOYEES

According to Smith and Langford (2011) there are two theoretical arguments that can explain why corporate social responsibility may lead to positive employee outcomes namely, signalling theory and social identity theory. Signalling theory can be used to explain the manner in which individuals allocate characteristics to organisations, despite having incomplete information about an organisation. Signalling theory suggests that individuals will use the organisational attributes which they know about, in order to draw inferences about what it would be like to work for an organisation. A firm's corporate social responsibility policies have a positive impact on employees as they serve as positive indicators of what it is like to work for a firm. Individuals want their work to not only meet their own needs, but also the needs of the community and society. Organisational membership can become an important dimension of an individual's identity as employees respond to organisational achievements as reflective of their own personal achievements.

According to Lis (2012) corporate social responsibility seems to be an effective tool to attract potential employees. If organisations are willing to provide sustainable human resource practices, they can become an employer of choice. From a market-oriented perspective organisations have to align their human resource management practices to the resulting needs of the diverse human workforce. Thus, the organisation should absorb sustainable human resource management practices in terms of the different aspects of corporate social responsibility. The development of organisational attractiveness by emphasising corporate social responsibility orientation could help to improve sustainable human resource management in the sense of attracting and bonding highly skilled employees and talent to the company. As a result, this could improve the company's position in the war-for-talent and the ability to attract highly capable employees as a major contribution by human resource management to support a sustainable rate success through managing the sustainable supply of employees. Whether sustainable management and corporate social responsibility activities are useful to address and attract potential employees depends on the level of successful communication of these signals.

Murillo and Lozano (2009) state that cultivation of close relationships with workers and the social or business environment makes it possible to establish expectations in social relationships and ensures collective action through increased confidence. Corporate citizenship also occurs when companies engage in activities that pursue a social agenda beyond that required by law. These include financing employees' education, promoting ethics training programs, adopting family and environment friendly policies. According to Remišová and Búciová (2012) there are seven main areas of corporate social responsibility for employees namely, compensation issues, health and safety, work conditions and corporate social politics, labour relations and collective bargaining, work dignity and protection against discrimination, individual work relations and internal communication, and enforcing employee rights. In these

seven areas, indicators for measuring corporate social responsibility were set in two categories - indicators identifying particular requirements arising from the corporate social responsibility basis and indicators for evaluating corporate activities beyond the scope of minimum economic, legal and ethical requirements.

The corporate social responsibility basis is achievable for all large organisations regardless of the volume of their financial resources. In fact, the corporate social responsibility basis does not monitor the amount of money invested in employees by an organisation, but the processes to create an appropriate work environment for its employees are set up. Additionally, it monitors the fact, whether or not the relationship with its employees is based on mutual trust, respect and responsibility.

According to Verlag (2014) employees play an important role in SMEs' corporate social responsibilities, both in the phase of selecting the areas of responsibility and the realisation of responsible behaviour, that is, they are important objects and subjects of responsibility as well. Perrini, Russo, Tencati and Vurro (2013) point out that the positive impact of ethically related factors such as fairness at work, care and concern for employees, trust in employees, and reputation for good practices on organisational commitment. Similarly, stronger organisational commitment and motivation have been shown for employees working for firms with ethical codes of the participation in employees' support programs and corporate social responsibility related activities favour employee's morale and the development of ethical climate. Thus, affecting employees' willingness to be involved in organisational activities, share ideas and behave collaboratively. In addition, through the implementation of corporate social responsibility related activities such as the prevention of non-discriminatory behaviour or the practices of diversity management firms might gain in attractiveness as a potential employer. In turn, achieving a reputation as a good place to work is explicitly associated not only with

positive labour market outcomes but also with superior competitive positioning and financial gain.

Turker (2009) is of the view that corporate social responsibility on employees can be classified into two broad categories. In the first category, corporate social activity affects the prospective employees. Corporate social activity creates a good reputation for business and increases its attractiveness as an employer. According to one explanation, corporate social activity increases the perceived trustworthiness of an organisation for a job seeker who is lacking any previous interaction with the organisation. A firm's social performance sends signals to prospective job applicants about what it would be like to work for this firm. In the second category, the focus is on the impact of corporate social activities on current employees, discussing how corporate social performance affects the perceived image, attitudes, and intended behaviours of employees.

Market-oriented and humanistic cultures lead to proactive corporate citizenship, which in turn is associated with improved levels of employee commitment, customer loyalty, and business performance. There is a link between employee perceptions of corporate citizenship and organisational commitment. Therefore, if employees perceive their organisation as being a socially responsible member of society, the senses of belongingness to this favourable reputable organisation can enhance their self-concept. It can be claimed that an employee's enhancing social identity, as a result of being a member of reputable organisation, will affect his or her work attitudes.

Rego, Leal and e-Cunha (2011) opined that organisations might strongly care about and support their human capital while neglecting community interests (and vice versa), and employees are able to identify such an ambivalent positioning. Employees distinguish discretionary responsibilities for employers from discretionary responsibilities for the community. It is

considered that natural environment deserves a higher profile in an instrument for measuring the employee's perceptions of corporate citizenship, and that employees are able to distinguish discretionary responsibilities toward natural environment from the other two discretionary corporate citizenship dimensions. An organisation might carry out significant efforts for improving its environmental performance and, at the same time, (a) neglect employees' training, development, and work-family balance, and/or (b) not engage in community development and vice versa. Employees are likely to perceive such differences in the corporate citizenship performance of their organisations - recognising when their company is highly responsible toward them but insufficiently responsible toward the community and or the natural environment or vice versa.

2.1 RATIONALE OF THE STUDY

2.11 SUMMARY

From the reviewed literature, it is evident that the fulfilment of CSR has a huge impact in communities where local and multinational companies operate. The CSR in developing countries is important because it covers the areas where governments fail to deliver. Furthermore, in countries where CSR is fully implemented, there are laws and regulations that make it mandatory for companies to invest in CSR. Literature also shows that there is a direct link between CSR and brand promotion. This is evident as most of the companies invite media when fulfilling their corporate social responsibilities. The next chapter presents the research methods employed for this research.

CHAPTER THREE

RESEARCH METHODS

3.1 INTRODUCTION

The previous chapter reviewed literature relevant to this study. This chapter presents the research methodology that was employed in this study. The chapter particularly, presents the research design and methodology, population, sampling, and data collection instruments. The chapter also discusses the trustworthiness, credibility and conformity pertaining to this study. The methods used for data analysis are also explained.

3.2 RATIONALE OF THE STUDY

This study used both quantitative and qualitative research methods to investigate the impact of corporate social responsibility on sports-based sponsorship at MTC. Face-to-face interviews were carried out. A semi-structured survey questionnaire was administered among the selected respondents from the MTC, Nestor Tobias Boxing Academy and NPL.

3.3 RESEARCH DESIGN

A case study research design was deemed necessary for this research in order to understand the CSR on sports-based sponsorship at MTC. The study is both interpretivist and positivist in nature resulting in mixed methods being used. These approaches were chosen to provide a better understanding of the phenomenon under study and to achieve the research objectives. A mixed method was appropriate because it combined the strengths of and to compensate for the limitations of quantitative and qualitative methods

used independently (Pluye & Hong, 2014). The concurrent nested design was used on the basis of dominance of the quantitative strand embedded within a predominantly qualitative study (Castro, Kellison, Boyd & Kopak, 2010). Qualitative research seeks to explain the relationship between the variables that pertain to the research problem (ibid). In short, explanatory research attempts to explain the connectedness among the components thereby providing an in-depth understanding on the issue of a given phenomenon under study. This method helped in getting a better understanding of the stance on CSR in sport amongst the three companies studied for this research (MTC, Namibian Premier League and Nestor Tobias Boxing Academy). Quantitative method on the other hand, helped to account for frequency of responses and creating themes for better analysis of the data collected amongst the three companies. Mixed method helped achieve the following research objectives:

- a) To establish the reasons for MTC's engagement in sports-based corporate social responsibility initiatives.
- b) To determine the expected benefits derived by MTC from investing in sports-related corporate social responsibility initiatives.
- c) To establish how MTC measures its investment in sports-based CSR initiatives.
- d) To determine whether there is a link between investing in corporate social responsibility and brand promotion.

3.4 POPULATION

According to Creswell (2012) he defines population as "a population in which a group of individuals possesses one characteristic that distinguish them from other groups" (p. 381). The population for this study is comprised of senior officials from MTC, Namibia

Premier League and Nestor Tobias Boxing Academy. A total of 12 employees were targeted for this study.

3.5 SAMPLE SIZE AND SAMPLING PROCEDURES

This study used purposive sampling method to collect data among the officials at MTC, Nestor Tobias Boxing Academy and the NPL/NFA. A total of 12 officials were interviewed. Of this total 5 senior officials from MTC, 4 senior officials from the Namibian Premier League/ Namibia Football Association and 3 senior officials from the Nestor Tobias Boxing Academy were interviewed.

Table 4.1: Sample size

Institution/Organisation	Sample
MTC	5
NPL/NFA	4
Nestor Tobias Boxing Academy.	3
Total	12

Purposive sampling was adopted for this study whereby only senior employees that have the relevant experience, skills and knowledge towards working with sponsorships and CSR in the organisations were selected for the interviews to give a true reflection and their real life experience. According to Sekeran and Bougie (2013) this type of sampling is confined to specific people who can provide the desired information because they conform to the

set criteria.

3.6 RESEARCH INSTRUMENTS

In order to collect the data, face-to-face interviews were carried out. Interview guides were administered during the interviews in order to get an in-depth understanding of the impact of corporate social responsibility on sports-based sponsorship from the respondents.

The interview guides were divided into two parts namely, Part 1 and Part 2. Part 1 comprised of interview questions specifically for MTC senior officials relating to their reasons of engaging in CSR sport-based sponsorships, the benefits derived from such engagements and what can be done to get more companies to invest in CSR. Part 2 focused on the sporting beneficiaries such as Namibian Premier League and Nestor Tobias Boxing Academy senior officials. The purpose of the interviews with senior officials from the Namibian Premier League and the Nestor Tobias Boxing Academy was to solicit their views on the MTC sponsorship of which they are beneficiaries.

3.7 DATA COLLECTION

Semi-structured interviews were employed in this study. An interview schedule was designed in order to achieve the objectives of the study. Qualitative face-to-face interviews were used on five (5) senior officials from MTC and four (4) senior officials from Namibian Premier League / Namibia Football Association and three (3) senior sports administrators from the Nestor Tobias Boxing Academy. The interview allowed for dialogue between the researcher and informants. Interviews were recorded and transcribed; detailed notes were also taken. The participants were notified of the interview appointments in advance. Each interview took between a minimum of twenty minutes and

a maximum of thirty-five minutes. This was to allow for free responses without pressuring the participants to finish on time.

3.8 DATA ANALYSIS

The Atlas ti was used to analyse data. This software assisted the researcher in coding, reducing, and inferring. After all the quotations were recorded in a word document, the document (*Primary Documents*) was assigned or loaded into ATLAS ti. The quotations were then coded with *Open or in vivo coding*. Lines of data in the quotations that were considered important or relevant were coded. This process according to Silver and Lewins (2014: 189) attempts at systematically grouping aspects that are of interest to the research. After coding, prominent codes emerged which were in line with the objectives of this study. Codes that have similarity were merged and those that did not appear much were eliminated during the second stage coding.

Krippendorff (2013: 356) contends that ATLAS ti software provides the ability to link quotations to create networks where patterns are which are helpful in report writing are identified. The themes were grouped into family networks to make connections and relationships between quotations, codes and themes, as presented in the next section.

3.9 RESEARCH ETHICS

The following ethical considerations were adhered to during the research process in order to ensure that the study has both credibility and authenticity.

3.9.1 Ensuring participants have given informed consent

The potential participants had a choice to participate voluntarily or to decline participation. Participants were protected by giving informed consent before participating and were allowed to withdraw from the study at any time. The participants were informed about the nature of the research study.

3.9.2 Ensuring no harm comes to participants

The researcher contends that participants were not put at any potential risk by participating in this study, for example, participants' responses were reported in a confidential manner and in a way that it would not be obvious for the employer or others to know who provided a specific answer.

3.10 SUMMARY

This chapter presented the research methods employed in the study. The research methodology and rationale for selecting the particular methodology was discussed. The chapter particularly discussed the research design, population, sampling strategy, and data collection instruments. The ethical considerations applied in this study were also dealt with. The next chapter presents the analysis of data and the findings and their discussion.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.1 INTRODUCTION

The previous chapter dealt with the methodology that was followed to achieve the research objectives. This chapter details the analysis conducted on the raw data in order to obtain detailed information on the reasons behind MTCs CSR in sport. To analyse the qualitative data, this study used ATLAS ti.

4.2 OBJECTIVES OF THE STUDY

- a) To establish the reasons for MTC's engagement in sports-based corporate social responsibility initiatives.
- b) To establish how more companies can be involved in Corporate Social Responsibilities in Namibia.
- c) To establish whether there are notable improvements since MTC started sponsoring various sport codes.
- d) To examine the link between investing in corporate social responsibility and brand promotion.

4.3 RESPONSE RATE

The number of interviewees for the study totalled 12 as presented in Table 4.2

Table 4.2: Response rate

Institution/Organisation	Sample
MTC	5
NPL/NFA	4
Nestor Tobias Boxing Academy.	3
Total	12

Source: Research Findings

4.4 RESPONSES OBTAINED FROM MTC EMPLOYEES

This section presents the interview questions and responses obtained from senior officials of MTC. Particularly, the responses relate to MTC’s CRS engagement in sport, the benefits of engaging in CRS and how MTC measures the outcomes from sponsoring sport.

1. THE RATIONALE FOR MTC’S ENGAGEMENT

Respondent #1

“It is a number of things. If you look at the demographics of our consumer segment. We are a privileged company that has consumers between the ages of 7 to 100 years. We have the whole range of consumers. First and foremost, our executive realised that we

had to entrench the value of our brand positioning and brand appreciation. After that it becomes a necessity to engage in sponsorship and from a strategic marketing point of view we created an opportunity to grow big. The reasons for engaging in sport sponsorship helps MTC to build and increase its corporate brand relationship, corporate citizenship, brand positioning, and brand value”

Figure 4.1 clearly sums up the reasons why MTC engages in CSR sport as mentioned by the MTC employees.

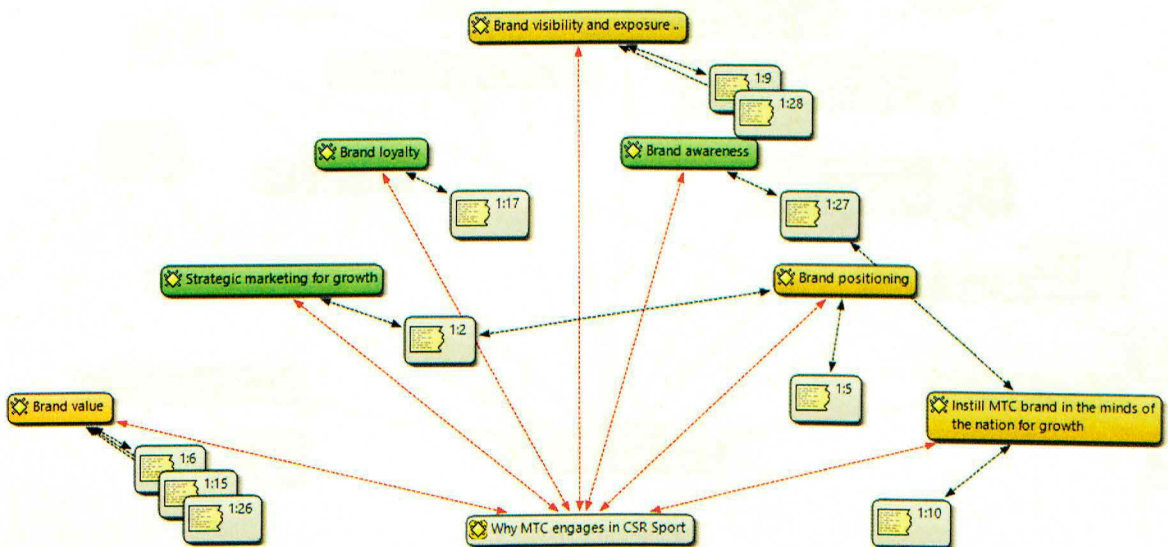


Figure 4.1: Why MTC engages in CSR sport

As presented in Figure 1, the main reason why MTC engages in sport based corporate social responsibility is to add value to its brand. Other reasons are to use the sport-based community responsibility as a strategic marketing tool for its products. Brand loyalty, brand awareness, brand positioning as well as instilling the MTC brand in the minds of the populace for growth purposes are also some of the reasons why the mobile phone company engages in sport sponsorship.

2. EXPECTED BENEFITS FOR MTC

Respondent #2

“MTC can directly sell the brand through the sponsorship”

Figure 4.2 presents the expected benefits to MTC in engaging in CRS as outlined by the MTC employees.

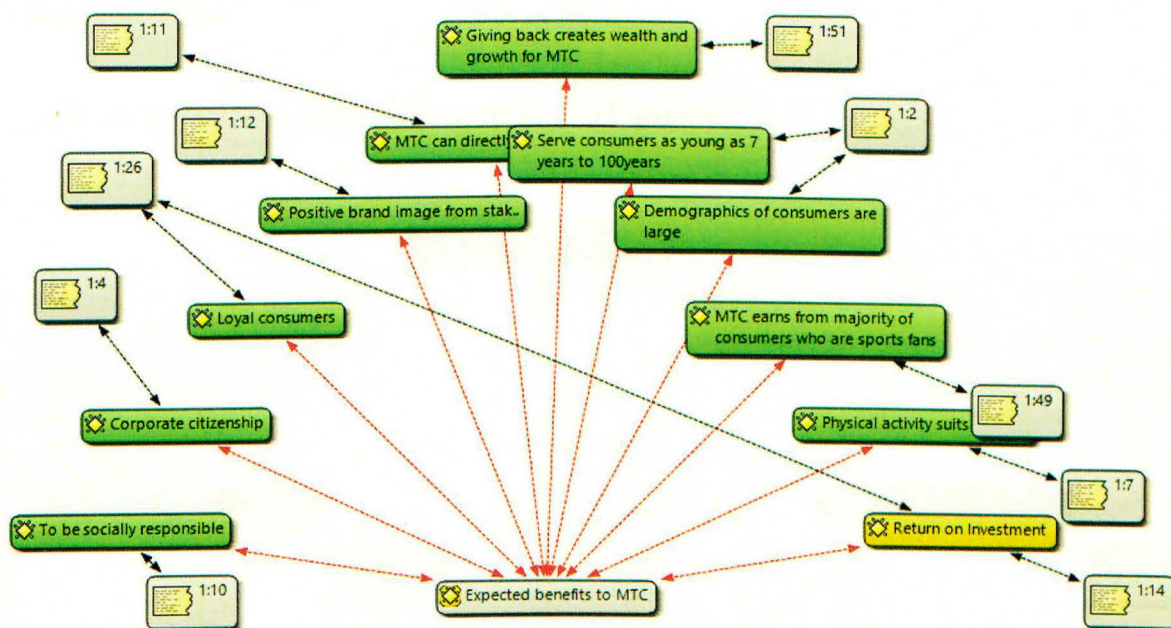


Figure 4.2: Expected benefits to MTC

Figure 2 outlines the expected benefits for the company. As can be seen, MTC earns good return on investment thereby increasing their financial performance. Through corporate social responsibility, MTC is able to attract new customers as well as retain old ones, this makes MTC a market leader in Namibia. Chances to meet with their customers are created through sponsoring various events and they are able to sell MTC products directly to the market and to focus on the sporting fans who are mostly their target market. It is

also a good opportunity for MTC to showcase their new products and benefits on the market to the customers of different age groups.

3. IMPACT ON WITHDRAWAL

Respondent #3

“The sport games are unlikely to continue without capital, unless sponsorship from other companies arises”

Further information is graphically presented in Figure 4.3

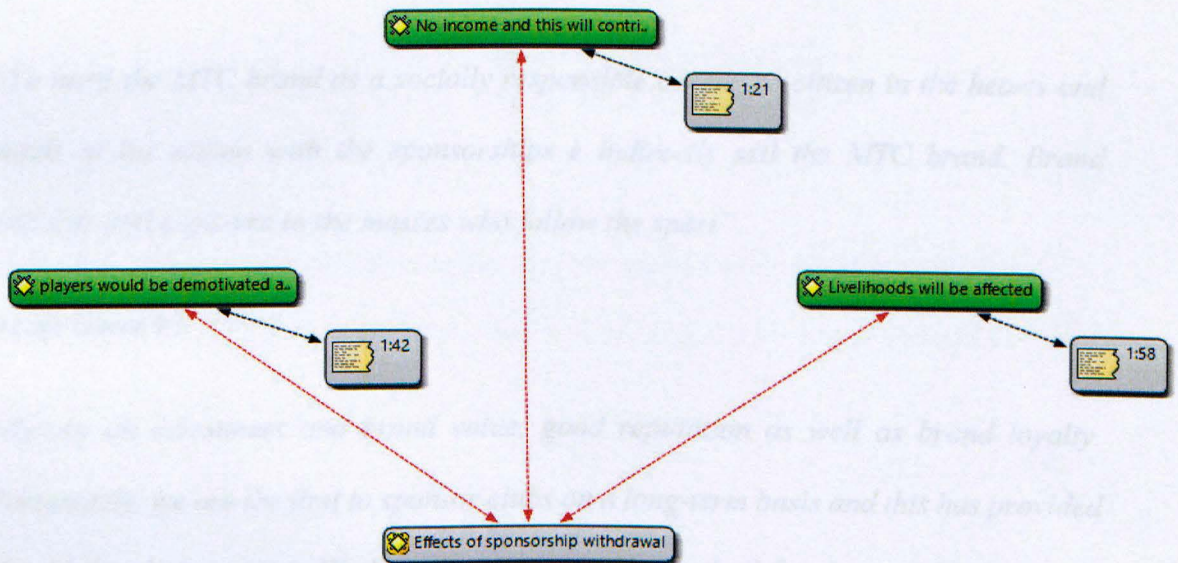


Figure 4.3 Effects of sponsorship withdrawal

The effect the withdrawal would have on sport would be detrimental in that livelihoods of families that depend on the income derived from sporting activities will be lost. There will be no income for the families and players would be demotivated resulting in sporting events coming to an end.

4. BENEFIT THE COMMUNITIES

Respondent #1

“The impact that MTC has contributed to the community is that the company gives N\$65,000 every month to the clubs. Although this is not adequate, it provides for players to work and earn from their sporting activities. Funding is an issue and government needs to do something to up the focus on sport”

5. MTC’S BENEFITS FROM CSR IN SPORT

Respondent #3

“To instil the MTC brand as a socially responsible corporate citizen in the hearts and minds of the nation with the sponsorships e indirectly sell the MTC brand. Brand visibility and exposure to the masses who follow the sport”

Respondent #5

“Return on investment and brand value, good reputation as well as brand loyalty. Fortunately, we are the first to sponsor clubs on a long-term basis and this has provided us with loyal consumers. We have been sponsoring football for the past 14 years and many have benefited. It is all about creating communities”

Figure 4.4 shows the benefits that MTC gets from sponsoring sports

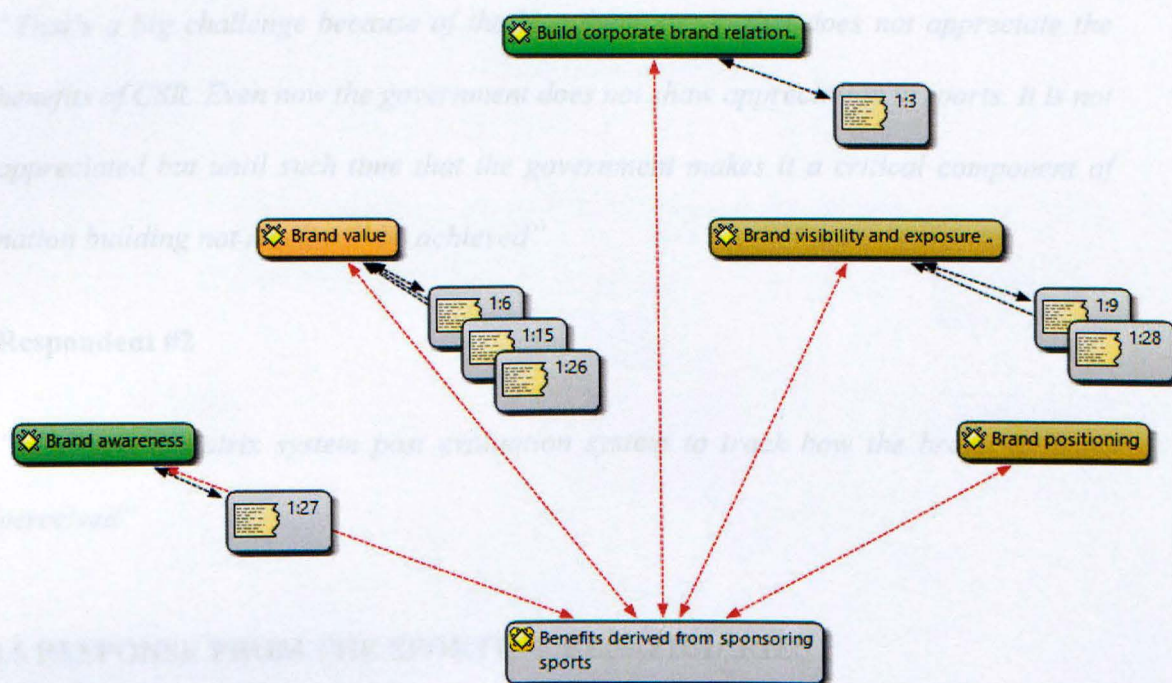


Figure 4.4 shows that the brand value had more density in terms of the benefits that MTC derives from engaging in CSR Sport. This was followed by brand awareness, brand visibility, exposure and brand positioning.

6. MEASURING THE CSR IN SPORT

1. OTHER FORMS OF SPONSORS

This question received some difficulty by all the four MTC representatives.

Respondent #3

“MTC’s investment in sport-based CSR is measured by monitoring the exposure from traditional media and digital channels”

Respondent #1

“That’s a big challenge because of the Namibian set up that does not appreciate the benefits of CSR. Even now the government does not show appreciation in sports. It is not appreciated but until such time that the government makes it a critical component of nation building not much will be achieved”

Respondent #2

“MTC has a matrix system post evaluation system to track how the brand is being perceived”

4.5 RESPONSE FROM THE SPORTING BENEFICIARIES

This section presents responses obtained from the interview with the sporting beneficiaries: Namibian Premier League and Nestor Tobias Boxing Academy senior officials. The purpose of these interviews was to solicit their views regarding the impact that MTC sponsorship has on their clubs and what should be done to get large corporations to support sport activities in Namibia.

1. OTHER FORMS OF SPONSORS

Respondent #1

“Since MTC came aboard there has been a huge improvement. In the past it was very difficult for clubs to engage in sporting activities since players would be demotivated as there was not enough to pay them. Players now are appointed by clubs and families are benefiting as well”

Figure 4.5 presents a detailed response to the question.

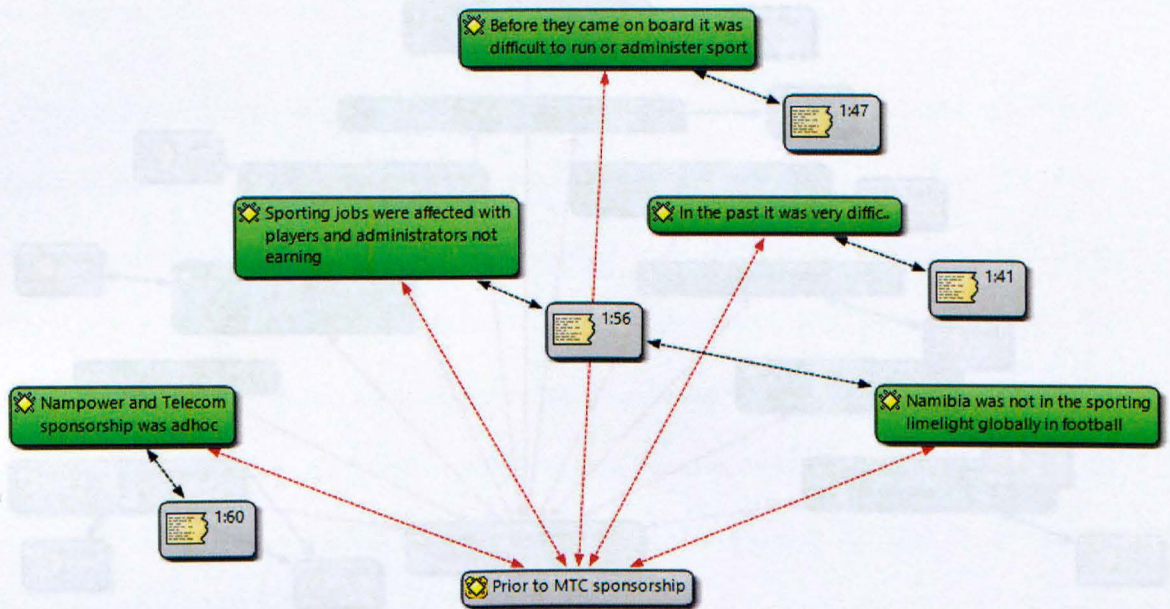


Figure 4.5 Prior to MTC sponsorship

Figure 4.5 indicates Namibian Premier League’s response to the question. As shown, the sporting jobs were affected, the country- Namibia was not much known globally, and that other sponsorships such as NamPower and Telecom were ad-hoc. The sporting activities came to a standstill as a result.

2. NOTABLE IMPROVEMENTS AS A RESULT OF MTC’S SPONSORSHIP

Respondent #2

“If you look at 15 years ago. It was very difficult to get any sponsorship but now with MTC involvement, players are able to earn a salary and take home. In the past this was not possible. Yes, there has been tremendous improvement but financially no. The inability to support infrastructure for sporting events is one area that MTC has not done well. MTC has helped by pumping about 20 million into sport. Before they came on board we saw what happened. Now players have money to take home”

Figure 4.6 explains further the improvement resulting from the sponsorship.

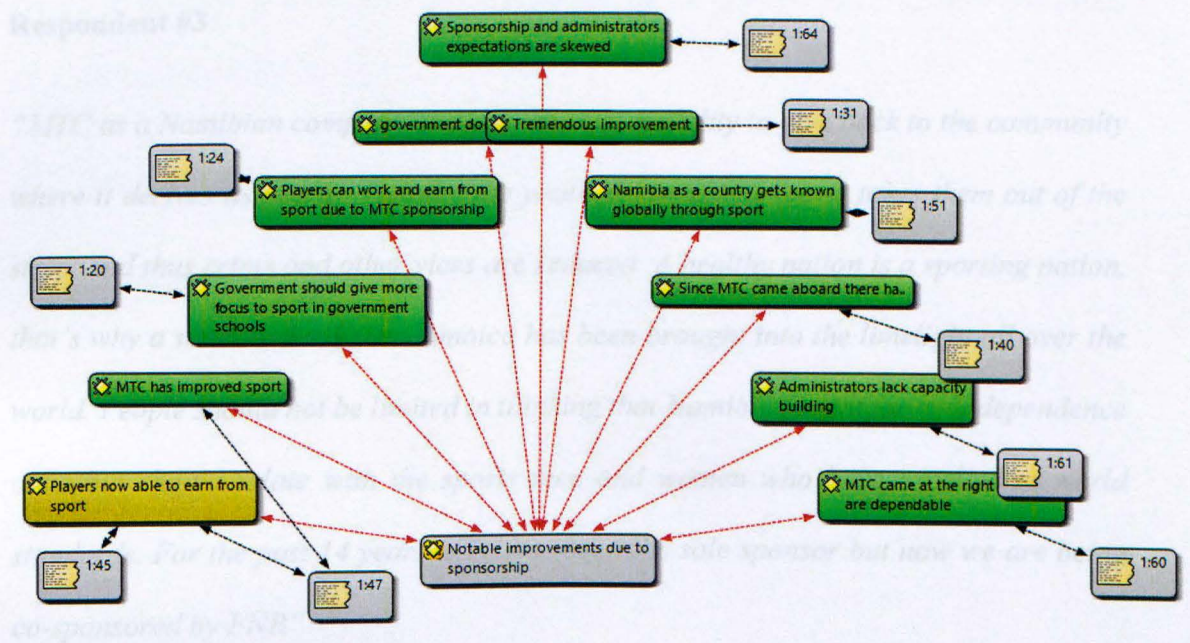


Figure 4.6 improvement resulting from the sponsorship

Figure 4.6 shows the views raised by the NPL/NFA. As can be seen, there has been a lot of improvement in the sport as soon as MTC came on board, the live of footballers and their families improved. Players are now able to earn from sport had more density. However, there were sentiments that the football administrators lacked capacity building, in that, they have become used to the sponsorship and have not come up with plans for sustainability. Namibia as a country did not get the sporting limelight then because the sport did not receive any support from the government as well as from business industries.

3. REASONS FOR MTC'S ENGAGEMENT IN CSR SPORT

Respondent #3

“MTC as a Namibian company and has the responsibility to give back to the community where it derives its profits. Helping the youth to engage in sports takes them out of the street and thus crime and other vices are reduced. A healthy nation is a sporting nation, that’s why a small country like Jamaica has been brought into the limelight all over the world. People should not be limited in thinking that Namibia fought for its independence only, but should relate with the sports men and women who have excelled to world standards. For the past 14 years MTC has been the sole sponsor but now we are being co-sponsored by FNB”

Respondent #4

Without the people MTC revenue will not exist. The majority of consumers are sports fans. Football caters for the masses. MTC caters and earns from the masses.

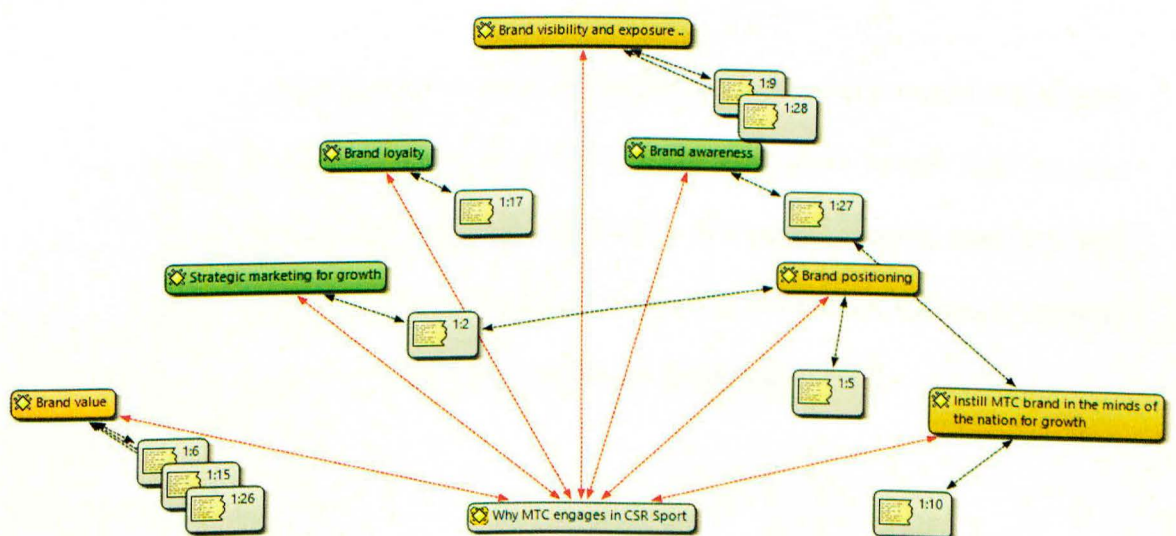


Figure 4.7 Why MTC engages in CRS sport

As shown in Figure 4.7, there were a number of reasons why MTC engages in sport. The company aims for brand value, strategic marketing for growth, brand growth and brand positioning and more density.

4. EFFECTS OF SPONSORSHIP WITHDRAWAL

The following are some of the sentiments indicated by the respondents:

Respondent #5

Do you remember that in the past we didn't play football for 14 months because of lack of sponsors? Now if they withdrew their sponsorship there will be disaster.

If they withdraw the sponsorship we will go back to minus 3 because this will be a major setback. Another reason is that the sports administrators are used to the funding that comes from MTC. There is a mentality to depend on hand outs and there is no sustainable plan in place to be proactive and grow to a point where the dependency syndrome becomes a thing of the past. MTC has not helped in capacity building for clubs to become sustainable.

We saw it 2 years ago. It was disastrous. There are 16 clubs mind you and 400 players and administration workers to be paid. This meant that these people had no jobs including the memes who sell foodstuffs when there is a game, security and taxis that derived their income from carrying people from one end to another. Crimes increased. Without sponsorship this will be a disgrace for the country as whole.

Respondent #6

Sports will suffer and families that relied on this income will have no livelihood. There will be no marketing for MTC in particular and other intending sponsors of sport in the country. There will be a vacuum of opportunities for both MTC and those whose livelihood depends on sports

Boxing will die. MTC came at the right time to sponsor as opposed to in the past when NamPower, Telecom to mention a few, were giving sponsorship on an ad-hoc or random basis. There will be a big vacuum and foreign agencies will come and exploit our Namibian athletes. For example, a television station from South Africa or America. They will take advantage and get our good boxers. After using them they will be discarded and their boxing careers will come to an end. The foreign agencies will match the boxers with opponents that are not preferred by the coaches. No one can groom your sportsman and no one can protect them if there are no promoters who dot understand the business.

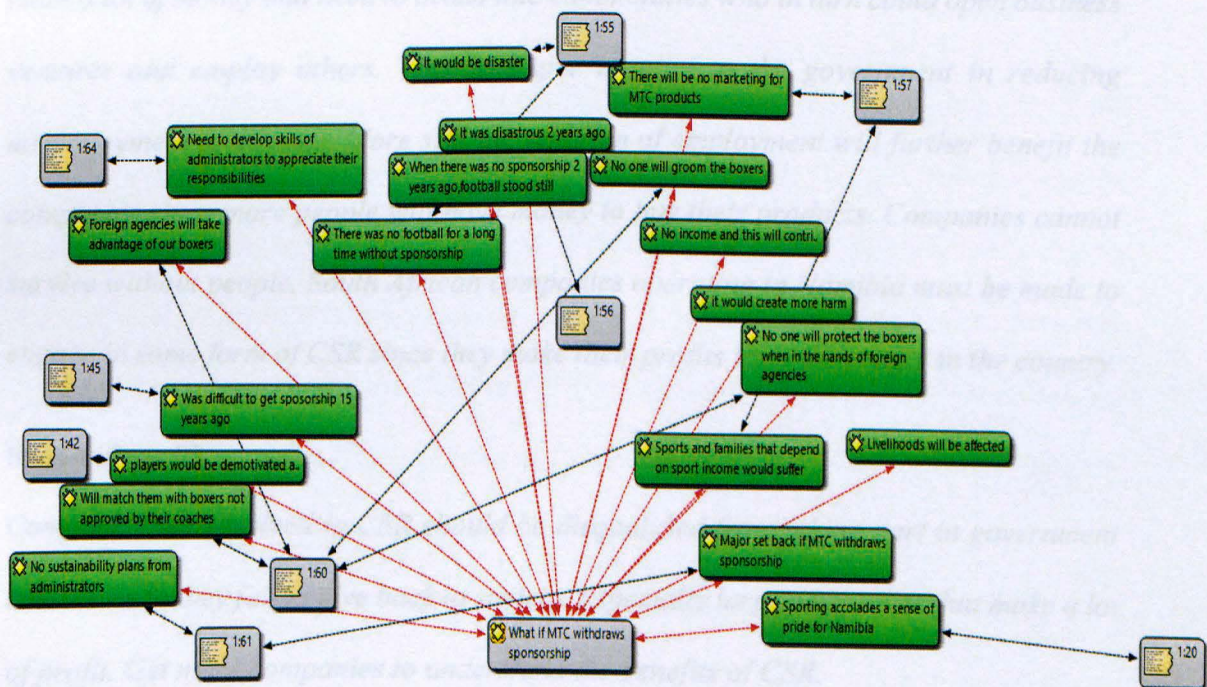


Figure 4.8 Resultants of MTC's withdrawal

As indicated, if MTC withdraws its sponsorship in sport. Then there will be no plans from administrators, players would be demotivated to partake in sport, there would not be income to feed families, thus the livelihood will be affected.

A total of six (6) participants responded as presented below:

The feasibility of your product is pronounced if it is advertised especially on television. Get television on board and attract sponsorship. People are glued to their television sets. Companies find it difficult to sponsor. There is need to develop the skills of the sports administrators to understand their responsibilities. At present the sponsorship and administration expectations are skewed.

Respondent #7

Government cannot go it alone and needs the support of business enterprises. Companies make a lot of money and need to invest into communities who in turn could open business ventures and employ others. This will give a relief to the government in reducing unemployment and crime. More still the creation of employment will further benefit the companies since more people will have money to buy their products. Companies cannot survive without people. South African companies operating in Namibia must be made to engage in some form of CSR since they make their profits from the people in the country.

Respondent #3

Companies not involved in CSR should be disqualified from taking part in government tenders since they fail to give back to society. Especially large companies that make a lot of profit. Get more companies to understand the benefits of CSR.

Must be educated on sport in Namibia in that it takes a lot of people away from the streets. Government should create a levy towards sport development or introduce tax specially meant for sports.

Respondent #2

Government should introduce legislation that will force large companies to support sport in the country. If companies don't play their role even crime will increase. Each company should be levied say 2-4% of their profits that should be given to sport and it will be up to the administrators to work out how the money should be spread around the clubs. Most businesses in Namibia are from South Africa and one wonders why they do not support sport or engage in some form of CSR. The profits are made in Namibia but are used in South Africa for sponsoring big sporting events. Most of the South African companies are doing very little or none at all in terms of CSR. Companies such as Multi Choice, Nedbank and KFC should give back to society which is not the case.

Respondent #1

Big companies hide behind the fact that their head offices are in South Africa. There are a lot of South African companies operating in Namibia. But they are not involved in CSRA. They take their earned profits home and sponsor big there. Government needs to legislate that all companies whose profits are large should pay 1-2% levy and there will not be any need for Namibian clubs to fight for sponsorships. CSR will cut tribalism, crime and alcoholism that is perpetuated by the youth who are idling with nothing to keep them busy. Kids play in the street and are exposed to hoodlums and start crime.

Respondent #5

Football games should be shown more often on TV. Companies find it difficult to sponsor games that are not shown on television.

Games of the NPL should be promoted for the corporate organizations to see them and invest or sponsor sport related activities. Government should put pressure on companies to invest in CSR. It should introduce different tax brackets depending on how much a company invests in CSR. Companies should be educated about the benefits of investing in CSR.

Figure 4.9 sum up the ways in which businesses can be encouraged to sponsor sport.

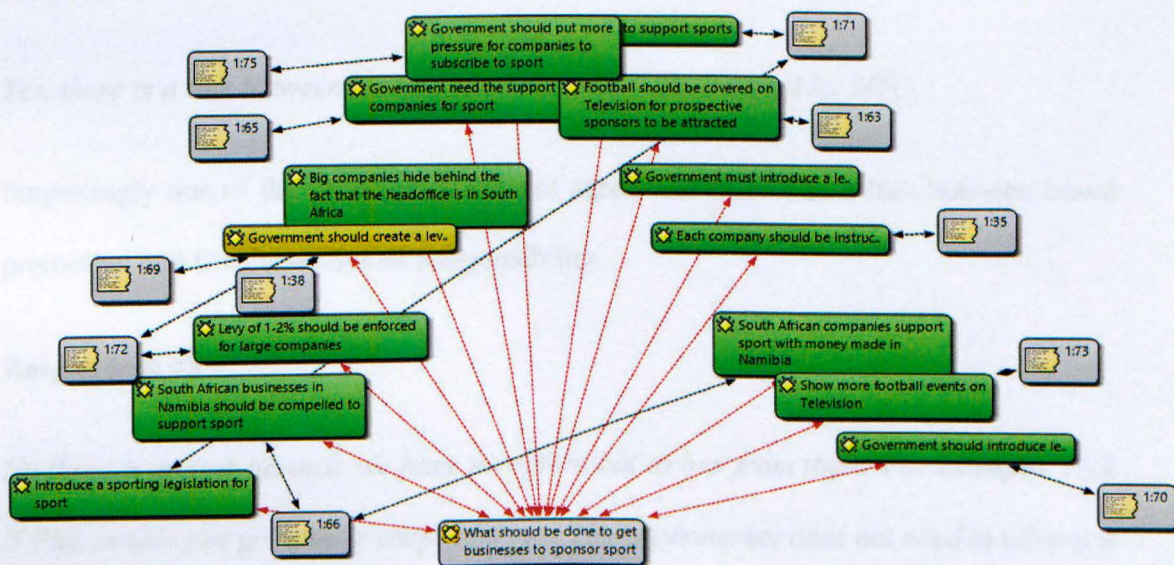


Figure 4.9 Methods of intervention in getting companies to sponsor

Figure 4.9 clearly indicates that the government should introduce a sporting levy amongst big companies to support sport. The majority of South African companies operating in

Namibia, need to be encouraged to participate in sponsoring sport. In addition, there is a need for government to create a levy to support sports.

6. BRAND PROMOTION AND CSR

The respondents were required to outline if there is a link between brand promotion and CSR. A total, three (3) were interviewed, below are their responses.

Respondent #1

Yes, there is a link between the two. It is like two hands washing each other. They need to sponsor in order to enlarge their brand.

Respondent #6

Yes, there is a link between brand promotion and CSR engaged by MTC.

Surprisingly one of the participants did not agree that there was a link between brand promotion and Corporate Social Responsibility.

Respondent #5

No there is no link because we have no option but to buy from them. For example, Pick N Pay, people just go to their shops and buy. The supermarket does not need to advertise its products. People have no option at all.

Figure 4.10: graphically sum up the responses.

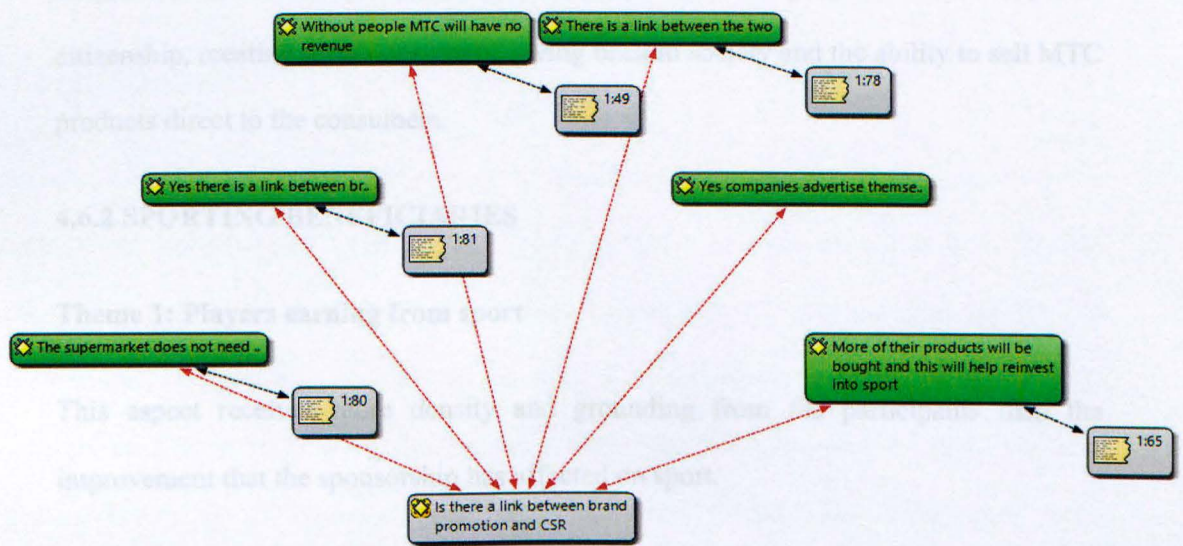


Figure 4.10 Link between brand promotion and CSR

As depicted in Figure 11, there is indeed a link between brand promotion and corporate social responsibility.

4.6 EMERGING THEMES

The study revealed two emerging themes relating to MTC involvement in sponsoring sport and two themes on the impact that MTC corporate responsibility has on the society.

4.6.1 MTC

Theme 1: Brand value

On the reasons behind MTC involvement in sports sponsorship, brand value was more grounded and had more density than brand positioning, brand visibility and exposure, including the need to instil the brand name in the minds of the sports fans.

Theme 2: Return on Investment

Return on investment received more density and was grounded than corporate citizenship, creating loyal consumers, giving back to society and the ability to sell MTC products direct to the consumers.

4.6.2 SPORTING BENEFICIARIES

Theme 1: Players earning from sport

This aspect receives more density and grounding from the participants than the improvement that the sponsorship has affected on sport.

Theme 2: Government levy on sport

The need for legislative measures to be taken by government received more quotations and grounding. This entailed that all business enterprises of a profit-making nature both local and foreign must support sporting activities. All (100%) interviewees signalled that the South African companies that operate in Namibia do not sponsor sports in their home country. Penalties were suggested, so that companies can all participate in government tenders.

4.7 SUMMARY

There were four broad themes relevant to the reasons behind MTC's engagement in sport and its impact on the sporting beneficiaries. Brand value was seen to be the focus for MTC sports-based community social responsibility as well as a strategic marketing tool for growth. The Namibian government's support was sought for sporting activities through a sport related legislation to encourage sponsorship.

CHAPTER FIVE

FINDINGS

5.1 INTRODUCTION

The main aim of this study was to investigate the impact of corporate social responsibility on sports-based sponsorship. The study was carried out at the Namibia Mobile Telecommunication Company (MTC). The study investigated why it is important for MTC to invest in social corporate responsibilities, in order to determine the benefits derived by MTC from investing in sport-related corporate social responsibility initiatives. The study was also aimed at finding out the impact that corporate social responsibilities has on the beneficiaries and find out how other companies can be encouraged to invest in corporate social responsibilities. Based on the findings, this study particularly sought to provide solutions and recommendations pertaining to corporate social responsibility. A comparison of the results obtained during the study and the related literature reviewed in chapter two was made in order to identify the similarities and departures from the knowledge. This study's limitation pertain to cost and time as participants were too busy and occupied with work. Conclusions and recommendations are also presented.

5.2 DISCUSSION

The following specific objectives guided the study:

- a) To establish the reasons for MTC's engagement in sport based corporate social responsibility initiatives.
- b) To establish how more companies can be involved in corporate social responsibilities in Namibia.

c) To establish whether there are notable improvements since MTC started sponsoring various sport codes.

d) To examine the link between investing in corporate social responsibility and brand promotion.

The section below discusses how the objectives of this study were met.

5.2.1 REASONS FOR MTC'S ENGAGEMENT IN SPORT BASED CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The first objective focused on the reasons for MTC's engagement in sports-based corporate social responsibility. The findings indicate that the main reason why MTC engages in corporate social responsibility is to add value to its brand and uses this platform as a strategic marketing tool for its products. The other reasons are to create brand loyalty among its customers, brand awareness, brand positioning as well as to install the MTC brand in the minds of the populace for growth purposes. The MTC officials believe that they see sports as a unifier and that MTC wants to create role models that will inspire the Namibian youth to become who they want to be. With an investment of over N\$15 million per annum, MTC has been the sole sponsor of the MTC Namibia Premier League and the First Divisions that employs over 500 young players.

This is supported by Smirnova (2012) who stated that being socially responsible might bring enormous benefits to a company such as increased profits, more protection of the company's brands, intellectual property and goodwill, building customer loyalty, increased sales and market share, increased purchase behaviour, higher customer satisfaction and market value of a firm. There might be some other benefits such as improvement of company image and reputation, increased support from the community, and higher employee morale.

According to Chaudhary (2009) the companies would attain the following benefits if they are socially responsible:

- a) Boost in brand image and reputation;
- b) Customers are often drawn to brands and companies with a good reputation in corporate social responsibility related areas. A company considered socially responsible can benefit both from its enhanced reputation with the public as well as within the business community, thereby increasing a company's ability to attract capital and trading partners;
- c) Increased sales and customer loyalty: a number of studies have suggested a large and growing market for the products and services of companies who are perceived to be socially responsible;
- d) Reduction in operating costs: corporate social responsibility initiatives help reduce operating costs dramatically;
- e) Higher productivity and quality: a company's efforts to improve working conditions lessen environmental impacts or increases employee involvement in decision-making often leading to increased productivity and reduced error rate;
- f) Attract and retain employees: companies perceived to have strong corporate social responsibility commitments often find it easier to recruit and retain employees, resulting in a reduction in turnover and associated recruitment and training costs;
- g) Reduced regulatory oversight: companies that demonstrably satisfy or go beyond regulatory compliance requirements are given free reign by both national and local government entities.

The reasons for MTC to invest in CSR are many and it includes them earning a good return on investment so, their financial performance is also elevated. Through corporate social

responsibility, MTC is able to attract new customers as well as retain the old ones, thereby making MTC a market leader in Namibia. Chances to meet with their customers are created through sponsorship. Sponsored companies are able to sell MTC products directly to the market. It is also a good opportunity for MTC to showcase their new products and benefits on the market to the customers of different age groups.

The reasons of investing in CSR are further explained by Rahim and Tajuddin (2011) who state that, by engaging in CSR activities, corporations would gain better recognition as responsible corporate citizens. The traditional view of business is essentially to maximise profits. However, the traditional views are no longer accepted in today's business environment, where, as a result, corporations have adopted the concept of corporate social responsibility, which is concerned with economic, environment, and social performance. Of late, the broader concept of corporate social responsibility has been introduced, where the corporation's concern is seen to be shifting to broader components of corporate social responsibility, which includes stakeholders as one of the most important components while not forgetting effects on the environment or society.

The senior officials namely, Mr. Jakes Amaninge (Assistant Technical Director) and Tovey Seibeb (League Administrator) from the Namibian Premier League also indicated that MTC as a Namibian company has the responsibility to give back to the community where it derives its profits; as they also benefit from the people in those communities. Helping the youth to engage in sports takes them out of the street thus, crime and other vices are reduced. Respondents further explained that, a healthy nation is a sporting nation and Namibians love sports in general. Thus, companies can use this platform to promote and market their corporate brands. Countries like Namibia should learn from Jamaica, a country that has been brought into the limelight all over the world. Many companies now have invested in Jamaica and would like to be associated with their athletes. Namibians should not be limited in thinking that they fought

for independence only, but should relate with the sports men and women who have excelled to world standards. For the past 14 years, MTC has been the sole sponsor but now FNB is also now co-sponsoring as they have realised that football is the most loved sport.

5.2.2 WIDER INVOLVEMENT IN CORPORATE SOCIAL RESPONSIBILITY IN NAMIBIA

There were numerous suggestions given on what should be done to get businesses sponsoring sport or investing in corporate social responsibility in Namibia. There was a strong suggestion that the government should introduce a sporting levy for big companies to support sport. The Ministry of Sports and Culture should spearhead the process of ensuring that there are laws that makes it mandatory for companies to invest in corporate social responsibility because at the moment, those that are being sponsored are at the mercy of the sponsor as sponsorship can be withdrawn at any time. There was a concern especially with the majority of South African companies that are operating in Namibia. These companies do not participate in sponsoring sport. The need for government to create a levy to support sports has more density than the other suggestions.

The Namibian government should really expedite on introducing local laws that makes it mandatory for large firms to invest in corporate social responsibilities. This agrees with Bathel (2014) who states that, laws would ensure that companies meet an optimum level of responsibility irrespective of where they operate or the efficacy of the legal system of the host country. This would reduce double standards, which are sometimes irresponsibly wide, particularly, amongst developed and developing countries. For instance, oil spillage is a constant menace and contributes to most of the crisis in the Niger Delta, but not much is done about it. The recent Gulf oil spillage in the USA attracted international condemnation and quick response from BP. In the case of the Niger Delta, there is shifting

of blame from government to oil companies to vandalism. It is hoped therefore that the setting of minimum international standards, with a central enforcing body, would make it easier to hold companies accountable. Especially as some multinationals, and in a few cases domestic companies, are more powerful than individual nations. Therefore, companies could intimidate or bully governments. The success of the universal declaration on human rights, despite the initial reluctance and / or opposition of about eight powerful countries (e.g. Russia, South Africa, Saudi Arabia, and Canada) demonstrates the potential and power of international rules of law. Today, the Universal Declaration of Human Rights stands as a universal measure of human rights standard. Establishing such a standard in areas covered by the principles of CSR would encourage companies to comply and also give many nations the moral and political will to monitor and enforce them.

The beneficiaries also felt that more local sports should be broadcasted to attract the attention of the Namibians because if one is unable to watch a certain match, there would be no other means of watching that specific match. According to the respondents from the NFA, broadcasting would attract the corporate world to invest in sports through sponsorship and advertising on the players' sport outfits.

In relation to what the respondent from NFA suggested on broadcasting the football matches, it is found that football teams could also generate income through broadcasting right fees, gate payments and membership fees (Sheth & Babiak, 2009). In addition, the economics of professional sport teams lie in the principles of buying and selling goods, services and labour. Unlike traditional businesses, sport franchises are valued on their revenues, rather than cash flows and assets. Each league shares different revenue streams at different levels, including gate receipts, broadcasting rights fees, luxury boxes, club seats, concessions, advertising and

membership fees. Revenues affect the type of players a team can afford, but questions remain regarding the connection between revenues and CSR activity.

Pertaining to the main question on how to get more companies involved in CSR, SMEs face various challenges when it comes to investing in CSR (Russo & Perrini, 2010: 208). Corporate social responsibility is a different issue when applied to SMEs, because of the intrinsic differences between large firms and SMEs. Standards to implement corporate social responsibility might prove inappropriate for small firms because they have been developed thinking of large businesses. Size represents but one criterion; others include legal form, sector, orientation toward profit, national context, historical development, and institutional structures.

Nair and Sodhi, (2012) insinuates that some of the most important factors influencing the nature and level of corporate social responsibility participation by SMEs are: sector; size; age and history (including whether or not the enterprise is family owned); geographic and cultural context; position in the value production chain and nature of client relationships. Ethical and moral considerations are found to be the main drivers of corporate social responsibility amongst the SMEs. As a general rule, the smaller the enterprise, the greater the relative role of ethical and moral considerations as drivers for corporate social responsibility.

The need for legislative measures to be taken by government received more quotations and grounding. This entailed that all business enterprises of a profit-making nature both local and foreign must support sporting activities. There are suggestions that legislative measures that should be considered could include increased tax on alcohol and cigarettes. The whole funds collected should be reinvested in the communities that are affected by alcohol abuse. This could be done through sports. Tax on alcohol and cigarettes cannot be used to buy resettlement farms. Interviewees signalled that South African companies that operate in Namibia do not sponsor sports in Namibian. Thus, penalties have been suggested, these includes not allowing such

companies to participate in government tenders until such a time that they realise the importance of corporate social responsibility. Interviewees strongly feel that companies should plough back into the communities where they operate.

The respondents believe that if the government can formulate ways of focusing on sport, it would help in taking sport to another level in the country. The government should implement this as soon as possible before sport comes to a standstill in the country. Comparisons were also made between government schools and private schools with regard to taking sports seriously. Respondents opined what government institutions should do to match the private institutions. In that, government schools are not receiving the attention that they deserve from the government as opposed to the private schools, like the German schools that encourages sports such as cricket and rugby. Many athletes from sport academies that groomed them have made it in sport and have brought accolades to the country. The one looks at the most successful athletes in the country in each sport code, they all started at an early age. A good example are athletes such as Harry Simon, Collen Benjamin and Frankie Fredricks. The private sector should really spearhead the youth development programs as part of their corporate social responsibility.

5.2.3 NOTABLE IMPROVEMENTS ON PEOPLE'S LIVES SINCE MTC STARTED SPONSORING VARIOUS SPORT CODES

Representatives from the Namibian Premier League indicated that since the sponsorship from MTC was introduced, there has been a lot of improvement in the sport as well as in the lives of the footballers and their families. Players are now able to earn from sport and sport is currently a reliable source of income. However, there were sentiments that the football administrators lacked capacity building, in that, they have become used to the sponsorship and have not come up with plans for sustainability. Namibia as a country did not get the sporting

limelight then because sports did not receive any support from the government as well as from business industries. The MTC's involvement in sponsoring sport has been notable in the Namibian landscape, and has thus laid a challenge to other corporates who are not engaged in any corporate social responsibility activity. The majority of the respondents indicated that livelihoods would be affected if MTC withdraws the sponsorship, since the sporting families rely on the income derived from the sponsorship. The boxing fraternity indicated that foreign agencies would take the opportunity to scout for the boxers who would be matched with opponents that the local coaches would not do. Some indicated that Namibia as a nation would be removed from global focus as a sporting country.

In support of the findings, Smith and Westerbeek (2007) present seven unique features to justify their claim that sport could be used as a vehicle for deploying CSR:

- a) The popularity and global reach of sport could ensure that CSR in sport has mass media distribution and communication power;
- b) Sport CSR has youth appeal: children are more likely to engage in a CSR programme if it is attached to a sport organisation or a sports personality;
- c) Sport CSR can be used to deliver positive health impacts through programmes and initiatives designed around physical exercise;
- d) Sport CSR would invariably involve group participation and therefore aid social interaction;
- e) Sport CSR could lead to improved cultural understanding and integration;
- f) Particular sport activities may lead to enhanced environmental and sustainability awareness;
- g) Participating in sport CSR activities could provide immediate gratification benefits.

The majority of the beneficiaries of the MTC sponsorship have strongly indicated that there is a tremendous improvement in sports since MTC came on board. Namibia is now globally known due to the country's participation in various sport codes. It was found that when MTC withdrew its sponsorship to the Namibia Premier League in 2016, the whole country did not play professional football and the football players became frustrated. In the Namibian Premier League, there are sixteen clubs and 400 players who were unemployed for that period when MTC suspended its sponsorship. Not only that, but the vendors that sell food and refreshments at the stadiums and the sport administrators for various teams were also heavily affected as they did not have any income for that period. This is clear evidence that, whatever form of corporate social responsibility is applied, it is an important initiative. This has an impact on people's lives. Various sport codes in Namibia depends on MTC sponsorships because they are the sole sponsor.

Improvement in people's lives has been noted by most of the respondents. It was found that MTC has helped by pumping about N\$20 million in sport 2017. Before MTC came on board to sponsor Namibian football last year, sport stood still. As stated by the respondents, players have money to take home. This is further supported by Trevor (2005), that community trust tends to result in the improved quality of social services and reinforces the idea that social capital is indeed both 'capital' (in that it raises incomes) and 'social' (in that incomes depend on community and not only household capital). This is reflected in the work of the Rio Tinto Foundation in Indonesia, where school health education is not only increasing the students' knowledge but also filters back to their family and community structures, creating internal and self-generating social capital.

Through working within school curriculum, Rio Tinto Foundation is actively contributing to the capacity of communities to manage their own destinies and retain knowledge beyond the

life of any mining operations. Bridges between the tri-partners can also help to mobilise financial resources and government services; improve infrastructure as corporations invest in the local community; and provide access to wider markets and financial systems. Poor communities are more likely to experience economic growth if there are high levels of social participation in solving collective problems. This in turn generates further social capital.

The MTC involvement in sponsoring sport has been notable in the Namibian landscape and this has laid a challenge to other corporates who are not engaged in any CSR activity. Smith and Westerbeek (2007) contend that sport has the ability to attract and bring individuals within communities together and corporates who engage in sport related investments to assist in meeting social responsibilities; which government requires in meeting its societal objectives. Sponsorship of sport has the propensity of improving business as it improves the company's image and the marketing of products to large crowds.

One of the respondents pointed out that, MTC gives N\$65,000 every month to each club that is participating in the Namibian Premier League. This is deemed as sufficient as MTC's sponsorship touches many families in the communities more especially those that are not sponsors for the premier league. Although the funds are not enough, this provides players with jobs thus, earn from their sporting activities.

The MTC's sponsorship keeps the ball rolling as far as sport is concern in Namibia. As long as sports is active, it keeps the youth out of the streets and is an imperative initiation as it also reduces the crime rate. However, it is found that there are no restrictions for other companies to sponsor a sport code that is already sponsored by MTC. In fact, MTC has been calling other sponsors to come on board as well.

5.2.4 LINKAGE BETWEEN INVESTING IN CORPORATE SOCIAL RESPONSIBILITIES AND BRAND PROMOTION

The responses to this question received a majority of answers that indicated that there was a link between brand promotion and corporate social responsibility. One of the respondents from the NFA pointed out that, in order for MTC to promote its brand countrywide, MTC needs to strategically associate itself with the biggest sport code, which is football in the country. Football is followed by people of all age groups. From the respondents, both from MTC and the ones that are receiving sponsorships, it is strongly supported that there is a link between corporate social responsibility and brand promotion. Thus, when MTC fulfil its corporate social responsibilities, it is widely covered and shown in local media. This is done to promote the image of the company and promote its image through taking part in corporate social responsibilities.

This is supported by Alcañiz and Pérez (2010) who state that, for consumers, brands play an essential role in identifying and differentiating products and services through their symbolic nature. Brands serve as signals of the position of products and companies on the market, allowing consumers to create judgments and consider choosing them. There is, however, tension between company and consumer expectations of corporate social responsibility actions: while companies sought to instrumentalise their social commitment, consumers prefer not to capitalise them on that commitment.

Consumers tend to prefer socially responsible companies but they often appear initially unconvinced about such practices. In short, consumers do not want to feel cheated or manipulated by companies, nor do they want companies to exploit and use their ties with social causes in their own interest. The credibility of a company in its association with social causes is a key point for deactivating the tension between company and consumers in a corporate

social responsibility context. Consumers use company credibility as a means to judge and deactivate their initial scepticism about the company social initiative. So, they respond and place greater value on any corporate social responsibility initiative developed by a socially credible company: credibility improves positive responses to a cause-brand alliance because the brand can efficiently accomplish its function of signalling the company's (socially responsible) position on the market. Companies benefit from engaging in CSR activities, not only by obtaining favourable consumer awareness, attitude, and a sense of attachment but also by building positive corporate image and good reputation in the long run.

The senior officer from MTC believe that the demographics of their customer segment is wide and for MTC to send their messages across all age groups, they have to invest in sport to cater for all the customers of different age groups. They believe that through sponsorships and being socially responsible, it is an effective and efficient way of advertising their products and promoting their brand. MTC needs to be active all the time by means of communicating with the users of a products and services. Advertisement is an important tool if you want to grow more and create brand awareness. If one does not want to advertise their products or services, then few people who knows about it. On the other hand, if you advertise your product or service, more and more people would come to know about your offering, what value you are providing to them and hence, more sales which leads to more profits. People advertise in order to generate more revenue. Naturally, some ways of promoting brands are smooth and more effective in reaching out to more audiences. It may seem as an investment in CSR, but the company could also use the platform to outshine its competitors. Advertisement creates consciousness of the company's offering to people that they are targeting. Investing in CSR could also be used as an opportunity for companies to educate their target market about their new product offerings that has recently entered the market.

With regards to the relationship between brand promotion and CSR, it is further explained by Hur and Woo (2014) that when consumers regard CSR activities as stemming from a company's sincere moral behaviour, they tend to trust the company in the belief that it would continue to keep its promises. Particularly, the company's CSR activities are considered to create a trusting relationship between the company and the consumers in the global market. Trust is a fundamental asset in business. From a CSR perspective, trust is the consumers' expectation of socially responsible or ethically justifiable behaviour. Thus, corporate brand credibility has been introduced, which is based on consumer trust as a mediational pathway linking CSR perception to corporate reputation and brand equity. Previous research has focused on the effectiveness of CSR outcomes and has neglected the relationships among such outcomes and the phase of pathways.

Corporate reputation is a valuable intangible asset for a company and plays a role as a signal of the company's key characteristics and as a source of competitive advantage. Thus, consumers rely on corporate reputation to judge the company's product or service when faced with a lack of information about a product or a company. A good reputation protects the company from consumer perceptions of negative information. Corporate reputation is a result of a company's management actions and behaviour, and CSR engagement can be the most effective action to gain a competitive advantage.

The executive realised that MTC had to entrench the value of their brand positioning and brand appreciation. After that, it becomes a necessity to engage in sponsorship and from a strategic marketing point of view, MTC created an opportunity to grow big. The reasons for engaging in sport sponsorship helps MTC to build and increase its corporate brand relationship, corporate citizenship, brand positioning, and brand value. Most of the reasons provided by the

respondents have to do with the benefits of MTC first and secondly the benefits of the beneficiaries.

Furthermore, it is also supported by Walters (2009) that, implementing a strategic CSR approach can deliver a range of benefits including the protection and improvement of corporate reputation, competitor differentiation and brand loyalty development, which can lead to improved financial performance.

5.3 SUMMARY

The study found that MTC's CSR sports-based sponsorship in Namibia is very important as sportsmen and woman as well as their families depend on such sponsorship. The Namibian government should make it mandatory for companies to invest in CSR especially multinational companies who invest in South Africa but not in Namibia. This can be done through the introduction of sports levies or sports tax. It also found that the main aim for MTC's engagement in CSR is a strategic marketing initiative to promote its brand, products and services. The next chapter wraps up the thesis by presenting the conclusions and recommendations of the research.

CHAPTER 6

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

Chapter six, which is the last chapter of this paper outlines the summary, conclusions and recommendations which have been deduced from the preceding chapter. The conclusions are guided by the research objectives of the study. The chapter begins with the contributions to knowledge, followed by the recommendations and finally the suggestions for further research.

6.2 SUMMARY AND CONCLUSION OF THE STUDY

The study was carried out at the Namibia Mobile Telecommunication Company (MTC). The MTC is an investor or sponsor in corporate social responsibility through sport-based sponsorships and the two beneficiaries of the sponsorships namely, the Namibian Premier League and Nestor Tobias Boxing Academy. The beneficiaries are all based in Windhoek and appointments were made to meet with them. With a sample size of twelve respondents whereby five were the senior employees of MTC, four were the senior employees of the NPL and three were from the Nestor Tobias Boxing Academy. The research instrument used to collect data was a semi-structured questionnaire. Face-to-face interviews were conducted to increase validity of the study and obtain in-depth understanding of the impact of corporate social responsibility on sports-based sponsorship.

In this study, ATLAS.ti software was used to analyse the data. The Atlas ti uses grounded theory to bring out the themes. The most grounded themes are considered to be the themes with the highest frequencies. This software was used to analyse data for this study. The ATLAS.ti software assists the researcher in coding, reducing, and inferring. After coding, prominent

codes emerge and these are the ones that are now focused in achieving the research objectives. The codes that have similarity were merged and those that do not appear much were eliminated during the second stage coding. When all the quotations are recorded in a word document, the document (*Primary Documents*) was assigned or loaded into ATLAS.ti. The quotations were then coded where *Open or in vivo coding* was used. Lines of data in the quotations that were considered important or relevant was coded.

The study found out that the main reason why MTC invest in CSR sport-based sponsorship is to add value to its brand and uses this platform as a strategic marketing tool to promote its products. The other reasons are to create brand loyalty among its customers, brand awareness, brand positioning as well as to install the MTC brand in the minds of the populace for growth purposes. In addition, MTC wants to create role models that will inspire the youth of Namibia to become anything they want to be in life. The company (MTC) also has the responsibility to give back to the communities that they are operating in or where they derive their profits. Helping the youth would engage in sports thus, taking them out of the street and reduce crime. The MTC invests in corporate social responsibilities to earn good return on investment. This in turn rises their financial performance as there is a positive link between brands, products and services promotion.

The results show that there is a greater need in the country for the government to introduce a sports levy especially to bigger companies operating in Namibia or it should be made mandatory for larger corporations to invest in corporate social responsibility through sports tax. The Ministry of Sports and Culture should spearhead the process of ensuring that there are laws that make it mandatory for companies to invest in corporate social responsibility because at the moment, those that are being sponsored are at the mercy of the sponsor whereby the sponsorship can be withdrawn at any time. There was a concern especially with the majority

of South African companies that are operating in Namibia but are not participating in sponsoring sport. Popular sports matches should also be broadcasted live to attract the attention of more sponsors. The more people watch the matches on TV, the more the corporate world wants to associate themselves with sports, thus investing more in it.

The study further found out that, there is notable improvements on people's lives since MTC started sponsoring various sport codes, there has been a lot of improvement in the sport as well as in the lives of the footballers and their families. Players are now able to earn from sport and sport is currently a reliable source of income. It was found that when MTC withdrew its sponsorship to the Namibia Premier League in 2016, the whole country didn't play professional football and the football players became frustrated. There are sixteen clubs and 400 players in the Namibian Premier League. These players were unemployed for the period when MTC suspended its sponsorship. Not only that, the vendors that sell food and refreshments at the stadiums and the sports administrators for various teams were also heavily affected as they did not have any income for that period. Regarding boxing, many of the boxers from the Nestor Tobias Boxing Academy have represented Namibia overseas and they have also won world titles and earned lucrative money.

The findings strongly show that there is a strong link between corporate social responsibility and brand promotion. For MTC to effectively promote its brand and ensure that their messages or adverts reach the correct target market, it strategically associates itself with the biggest sport in the country, which is football. Football is followed by people of all age groups. There is no way people in Namibia can talk about football and boxing without thinking about their main sponsor which is MTC. For any organisation to attract the attention of many people, the organisation should align itself with the winners. Companies could effectively use successful athletes to do corporate social responsibilities for them. There is a strong link between

corporate social responsibilities and brand promotion because when MTC fulfils its corporate social responsibilities, the media is often invited to cover those events. The other evidence is also that their logos and corporate colours are always displayed at the events that they sponsor for the public to see.

6.3 RECOMMENDATIONS

In view of the objectives, findings and conclusions of this study, the following recommendations were made:

Regarding the survey results discussed in the previous chapters and the first research objective which is related to establishment of the reasons for MTC's engagement in sports-based corporate social responsibility initiatives, MTC should continue to invest in sports-based corporate social responsibilities because it is a conducive platform for MTC to reach out to its target market. Investing in corporate social responsibility is not just a strategic marketing tool but it is a way of giving back to the communities where MTC derives its profits. Many families depend on their sponsorship for a living, so, their continuation in sponsoring sport in Namibia would also continue to change many lives as far as sport is concerned. It is recommended that MTC should try to sponsor other sports such as rugby, athletics and golf to attract bigger audiences which would eventually result in more revenue generation.

In relation to the objective of establishing how more companies can be involved in corporate social responsibility in Namibia. The Namibian government should introduce a sports levy or sports tax especially to larger firms. The government should find methods of making it mandatory for companies to invest in corporate social responsibilities because at the moment, investment in corporate social responsibilities is at the mercy of the companies, which are not obliged to do so. This could be unsafe to the sport fertility as sponsors can withdraw their

sponsorship at any given time and leave sportsmen and women stranded. The Ministry of Sports and Culture should spearhead and expedite the process of ensuring that it is made mandatory by law that larger firms invest in corporate social responsibilities. The government could also benchmark with South Africa on how to get more companies involved in social corporate responsibilities because the same companies that are heavily involved in corporate social responsibilities in South Africa are the same companies that are reluctant to invest in corporate social responsibilities in Namibia.

In terms of the objective of establishing whether there are notable improvements in people's lives since MTC started sponsoring various sport codes, MTC should pump in more money in sports where possible and persuade other companies to partner with them in fulfilling their corporate social responsibilities. The MTC should be more consistent in fulfilling its social corporate responsibilities and enter into contracts with the beneficiaries whereby they cannot withdraw their sponsorships anytime they wish. This is imperative because it would avoid unemployment and situations whereby sponsorships are withdrawn at the last minutes and sport comes to a standstill.

In relation to the objective of determining whether there is a link between investing in corporate social responsibilities and brand promotion, MTC should continue to invest in corporate social responsibilities for their brand promotion and outshine their competitors. This method has been proven to be effective and working for them. Other companies can also use the same platform to promote their products and services.

6.4 AREAS FOR FUTURE RESEARCH

It is recommended that future research be carried out to explore the following areas:

- The factors that affect Namibian companies' investment in sports-based CSR.

- How can the Namibian government make it mandatory for companies to invest in sports-based CSR?
- The evaluation on the effectiveness of CSR in Namibia.

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APPENDIX A: QUESTIONNAIRE

Acknowledgement of Consent

Topic: The Impact of Corporate Social Responsibilities on Sport-Based Sponsorship: A Case Study of Mobile Telecommunication Company (MTC), Namibia

To the respondent,

Thank you in advance for taking your time to partake in this survey.

I am James Shatimwene Shipena, a student at the Namibia Business School (NBS) at the University of Namibia (UNAM). I am pursuing a Master's degree in Business Administration (MBA) with a speciality in Management Strategy. This survey is being conducted to write a thesis in partial fulfilment of the requirements for a Master degree. Please be cognisant that your participation in the survey is voluntary.

This survey will take you less than 30 minutes to complete.

No personal identification is required in this survey. Please be assured that your response will be held anonymous. The results will be used for research purposes and only be published as well as presented in aggregate. Your accurate and specific response is important to the success of this survey.

Your participation in this survey/ research is highly appreciated.

Yours faithfully,

James Shatimwene Shipena

**THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON SPORTS-BASED
SPONSORSHIP: A CASE STUDY OF MOBILE TELECOMMUNICATION
COMPANY OF NAMIBIA (MTC)**

INTERVIEW SCHEDULE

Part 1. Questions to the Senior Official(s) from MTC

1. What position do you hold at MTC?

.....

2. How long have you served in this position at MTC?

≤3 years	
3-7 years	
7-10 years	
10-15 years	
15-20 years	
20 years and above	

3. When did MTC start engaging in Sport based Corporate Social Responsibility?

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4. Why does MTC engage in Sport based Corporate Social Responsibility? Kindly elaborate.

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5. What are the expected benefits derived from Sport based Corporate Social Responsibility by MTC? Kindly elaborate.

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6. How does MTC measure its investment in Sport based Corporate Social Responsibility? Kindly elaborate.

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7. What will happen to beneficiaries of the Sport based Corporate Social Responsibility should MTC withdraw the sponsorship? Kindly elaborate.

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8. How does Sport based Corporate Social Responsibility benefit the lives of the community? Kindly elaborate.

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9. What are your general views on Corporate Social Responsibility in Namibia?

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.....

Part 2. Questions to the senior officials of Sporting Clubs

1. What position do you hold in Sport Administration?

.....

2. How long have you served as a Sports Administrator?

≤3 years	
3-7 years	
7-10 years	
10-15 years	
15-20 years	
20 years and above	

3. Are there any restrictions to the sponsorship provided by MTC such that your team can not be sponsored by any other company?

Yes	
No	

If YES elaborate.

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4. What happens if MTC withdraws its sponsorship?

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5. In your opinion what should be done to get other companies to engage in supporting sport related activities?

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Thank you for your participation