COMMUNITY SOCIAL RESPONSIBILITY STRATEGIES EMPLOYED BY UNKI MINE TO ENHANCE THEIR CORPORATE REPUTATION

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ABSTRACT

The article focuses on the assessment of Community Social Responsibility strategies employed by Unki Mine to enhance their corporate reputation. This presentation enumerates and assesses the different Community Social Responsibility (CSR) strategies employed by Unki Mine in 2011 in order to enhance the corporate image. Data gathering methods used in the study are structured interviews, questionnaires, participant observation and content analysis of documents. These were subjected to both qualitative and quantitative methods of data analysis. Qualitative and quantitative research designed enabled the researchers to attain information closer to reliability and validity. Theoretical framework that informed the study includes cognitive dissonance theory, situational theory and Carroll’s 3C-Social Responsibility model. Unki Mine CSR programmes cater for both the internal and external publics. Unki Mine tries to enhance its corporate image through the implementation of CSR initiatives and all departments participate in the implementation of CSR programmes. Also noted in the study are the challenges faced by the Community Engagement and Development Department (CED) department in trying to fully implement CSR strategies. The study however, also highlighted the weaknesses of the PR departments at Unki Mine in its attempt to practice effectively implement community social responsibility programmes to boost the image and reputation of the organization.

Keywords: corporate reputation, public relations, corporate citizenship, corporate image and strategy

INTRODUCTION

This article seeks to assess the Community Social Responsibility (CSR) strategies employed by Unki Mine to enhance its corporate reputation, identity and image as a new player in the mining field. The term CSR, can be defined as the way firms integrate social, environmental and economic concerns into their values, culture, decision making, strategy and operations in a transparent and accountable manner and thereby establish better practices within the firm, create wealth and improve society (Hohnen, 2007, p.4). The organization’s mission statement, objectives and values should reflect their social responsibility. The study evaluates the impact and effects of CSR strategies on service delivery. There has been a growing perception, that CSR practices could help organizations’ bottom line and to enhance their brand. The notion that organizations need to be socially responsible is the focus of this research.

CSR has been defined by most psychiatrists as a pro-social behavior which is beneficial to the society and has become a social norm. Corporate social responsibility (CSR) is also known by a number of other names. These include corporate responsibility, corporate accountability, corporate ethics, corporate citizenship or stewardship, responsible entrepreneurship, and “triple bottom line,” As CSR issues become increasingly integrated into modern business practices, there is a trend towards referring to it as “responsible competitiveness” or “corporate sustainability.” Corporate citizenship in the business community essentially means that a company should be a “good neighbour” within its host community. Thus at Unki Mine the Safety Health and Environment (SHE) department looks into all environment related issues that could affect stakeholders. “People” constitute the company’s stakeholders: its employees, customers, business partners, investors, suppliers and vendors, the government, and the community.

Unki Mine PR department fulfils its organizational ethics by developing the community academically through donating to the schools and to the community. This also support 3C’s-s-R model of corporate social investment which includes Commitment, Connection and Consistency (Carroll, 1979, p.497-505). Unki Mine as an organization expresses its “social commitments” by representing the value elements of its resources. Unki Mine fulfils its organizational policies by donating to the community and assisting in health issues like cholera. Unki Mine had to donate complete building material for the construction of toilets during the 2009 Cholera outbreak. The mine even trained builders in all nine beneficiary villages; so as to make sure what they build is up to the Zimbabwean Ministry of Health standards and specifications. Connection the second “C” by Carroll’s (1979, p. 497-505) model initiate the forum for the public’s to be linked. Unki mine links with its publics through donations and providing employment for the unskilled workers. For all general work that does not need any qualifications, the mine enrolls locals form the surrounding villages. The third “C” for consistency refers to the behavior element which makes the corporations to “walk the talk”. Unki Mine walks the talk by fulfilling its mission, vision and values by giving to the public’s to create good community relations or community citizenship.

Alsop (2004, p.24) postulates that, corporate reputation is
a ‘soft’ concept. It is the overall estimation in which an organization is held by its internal and external stakeholders based on its past actions and probability of its future behavior. Corporate reputation ensures acceptance and legitimacy from stakeholder groups, generates returns and may offer a competitive advantage as it creates or forms an asset that is difficult to imitate (Cornelissen, 2008, p. 74). Through CSR strategies Unki Mine tries to build this intangible asset, which will in turn help the organization obtain its social license to operate.

BACKGROUND OF STUDY

Dates and circumstances surrounding the origins of CSR have been debated over by different scholars. The Jus Samper Global Alliance period, argues that the history and growth of Corporate Social Responsibility is as old as capitalism. They trace it to the early 1920’s when the employer anxious to forget or to alleviate the exploitation and social misery, stepped up the “good works”, in France, Belgium and Great Britain. Practices related to PR can be identified throughout earliest forms of civilizations from our pre-historic ancestors at both individual and communal level right up to relatively large ancient political establishments (Cutlip, Center and Brown, 2000, p.5).

Unki Mine is located within the middle ridge claims (the Shurugwi Sub-chamber) in the Southern part of the Zimbabwean great dyke, 60km South West of the city of Gweru. The mine started being developed in 2003 by Anglo Platinum Ltd and Platinum is the main metal produced. Anglo Platinum Ltd (APL) owns a block of seven (7) claims known as the Middle ridge claims. Unki mine is being developed on a claim known as Unki East. The mine contains platinum and palladium and is mined using the board and pillar mining method. Unki Mine is planned to be a 120 000 tone per month operation with the potential to be expanded in future. The exploration and trial shaft for Unki Mines was completed in the 1980’s. In August 2002 trial mining was completed and the mines development started in 2003.

Unki Mine is an organization implementing CSR practices and is in the mining business. All CSR programmes are initiated and implemented by the CED department with the assistance of the stakeholders and the organizations’ top management. At Unki Mine they name the CSR programmes Corporate Social Initiatives (CSI) or Community Investments (CI). Corporate Social Responsibility (CSR) practices exercised by the organization include the Media Relations, Advertising, Sponsorship, Projects Management, Events Management and donations. This research therefore endeavors to provide a brief but comprehensive insight and evaluation on each one of these CSR practices.

In 2010 CED Department was unbundled from the HR department under which for years it operated. The department’s functions evolve around public relations; it is the CED that implements different CSR strategies initiated by the mine for its stakeholders. The CED department is still growing and trying to establish itself, currently it is run by three people namely, the CED manager, CED officer and student on attachment. The department is small because their system is put in such a way that they have to liaise with the HR department.

The Concept of Corporate Social Responsibility and Reputation

Corporate social responsibility (CSR) is “an obligation to pursue those policies, to make those decisions, or to follow those lines of action that are desirable in terms of objectives and values of our society (Bowen, 1953, p.44). For corporations, social responsibility includes economic, legal, ethical and discretionary expectations that society has of them at a given point in time (Carroll, 1979, p.497). The way a business performs CSR is also subject to its understanding of how CSR should be implemented. Focusing on making profit does not contradict satisfying interests of people who have a stake in the firm (stakeholders). It is suggested that satisfying the stakeholder’s interests can contribute to the maximization of shareholder value (Mitchell 1997; Odgen and Watson 1999). It is of keen interest in this article to assess whether the implementations of CSR programs by Unki Mine are for financial performance or are for reputational purposes.

Reputation is a perception of character. For a person or place it is what you expect them to be like based on what you know of them. For a business or organization this character is also a reflection of behavior, what it has done in future occasions. The reputation of an organization like Unki Mine in Zimbabwe can be historic and cultural dimension of that image, the social memory of the stakeholders which acts as a platform for expectation. A reputation is created by stakeholders and attributed to an organization (person or place), in response to their expectations of it. Reputation is a fluid concept. In addition, reputation is a perceptual constructs, so simply proxy measures of the assets, performance or output of a particular organization will not be enough (Cornelissen, 2008, p .76). It is therefore important to find out empirical in this article how Unki Mine through their CSR programs measure their element or reputation when dealing with their major stakeholders.

Different types of research techniques may be used to gather reputational data. These techniques exclude the publicly syndicated measures such as the fortunate most admired companies and most accepted companies, which are a secondary source of research information that managers and communications practitioners can tap into to gain some information about the standing of their organization. It is the intention of this article to find out how Unki Mine if at all measures their reputation through their CSR programs in addressing the needs of their communities. Alsop (2004, p. 31) argues that trying to navigate the reputation process without an accurate barometer is risky business. By tucking its reputation on a regular basis, the company has been able to react quickly to changing perceptions of itself and its industry.
METHODOLOGY
In terms of methodology, the study used triangulation which integrates qualitative and quantitative research methods in order to attain results that are closer to validity and reality. Qualitative and quantitative data would be used to check on the accuracy of conclusions reached at, about Community Social Responsibility strategies employed by Unki Mine to enhance their corporate reputation. Questionnaires made it easy to collect large quantities of data from a considerable number of respondents who are the CED Department workers, together with the other targeted population who are organisation’s external publics like the beneficiary villagers, community forum representative and village heads. The results collected through questionnaires were quantified. On the other hand, interviews enabled the study to extract simple factual information on the community social responsibility strategies used by Unki Mine to boost their reputation. A total of eighty questionnaires were distributed among Unki Mine’s public relations personnel, internal employees and external publics. Twenty questionnaires were distributed among the organization’s internal publics who comprise of twenty employees. The remaining sixty questionnaires were distributed among the organization’s external publics comprising of the beneficiary villagers, community forum representatives these include village heads, Chiefs local MP representative, different departmental representatives (Health, AGRITEX, DDF, Public service, Ministry of lands, Tongogara RDC CEO). Forty questionnaires were distributed to forty villagers and twenty to community forum representatives. The researcher managed to interview eight of the targeted respondents which among includes CED Acting Manager, Safety Health and Environment Manager, two CED (PR) officials (employees), three H.R employees and one from The Protection Services. CED department continually interacts with these individuals from time to time.

RESEARCH FINDINGS
Distribution and Response Levels for Questionnaire and Interviews
Out of the eighty questionnaires distributed, sixty eight were returned. From the twenty questionnaires distributed among Unki Mine employees eighteen were returned. Two of the questionnaires were not returned as it appeared that the respondents had changed shifts and could not be found at the time of collection. Fifty responses were drawn from external publics, forty questionnaires targeted the beneficiary villagers. Thirty-three of them completed the questionnaire and the other seven had gone to attend to other personal matters during the time of data collection, whilst seventeen community forum members representative responded to the questionnaires distributed to them. Overall, sixty-eight out of eighty, thus 97.5% of the questionnaires distributed were filled and returned while the remaining 2.5% were not returned as the respondents, as highlighted above, had to attend to other duty calls during that time.

Interviews the response rate was high as shown in the graph above. Out of the twelve respondents that where targeted the researcher managed to interview eight of them thus achieving 80% response rate of the actual target. These consisted of CED Acting Manager, Safety Health and Environment Manager, two CED (PR) officials (employees), three H.R employees and one from The Protection Services. CED department continually interacts with these individuals from time to time. The researcher failed to interview with the other the other four who were said to be away on official business.

Corporate Social Responsibility (CSR) Strategies Employed by Unki Mine
Corporate social responsibility (CSR) is a modern mechanism of accountability in the business world and competitive era. The notion of CSR is established on the reciprocal dependence between an organization and society (Gholami, 2011, p.148), Puth and Lube (1994, p.174) quoted in (Masuku,C ,2009, p.77) define CSR as a generic concept referring to business organizations concern and active two way involvement with the social, economic and political forces which influence the environment. Unki Mine implements different strategies under which different programmes such as, education; health, environment and agriculture are covered. Some of the CSR strategies employed by Unki Mine include, publicity, advertising, corporate philanthropy, public relations management and donations.

The article notes through questionnaires that the CED (PR) department at Unki Mine made use of various CSR strategies in establishing, building and maintaining mutual beneficial relationships and understanding with their different publics. Bar graph one above highlights the different CSR strategies used by Unki Mine among its publics. Forty percent of the CSR programmes employed by Unki Mine are based on Public relations management. The strategy involves programmes like charitable giving, reputation focus, social change and social investment. Research findings from the interviews with CED officials also revealed that Unki Mine focuses mostly on public relations management as it encompasses most of the programmes that are of need to their publics. Donations
cater for 25% of the CSR strategies implemented by Unki Mine for their publics. Findings from the interviews with CED employees indicate that, Unki Mine donates to its publics in cash or kind; this is determined by the donation request. It also came to light that the mine only donates to activities that benefit the community at large not individuals. It is for this reason that the organization has allocated twenty five percent of its CSR programmes to donations.

Corporate philanthropy covers 15% of the CSR programmes implemented by the Mine. Corporate philanthropy is when a charitable giving is made to society with no direct benefit expected. Unki Mine makes such donations when there is an emergency. Through Interview the article found out that Unki Mine reacts swiftly to emergencies that arise in the community, even when they are not going to directly benefit. Unki Mine is always ready to intervene and assist its publics. Fifteen percent of the CSR programmes are publicity related. In order to build a reputable image and lasting positive relations the organization has to be visible in society such that people can identify with it. In addition, the article also found out that Unki Mine makes itself known through branding of its community social investments by placing the Anglo Platinum logo. Whenever the Mine donates to the community they seek publicity through the media.

Advertising covers five percent of the programmes. Unki Mine mostly practices clothing advertising. Interview findings with CED employees revealed that advertising caters for five percent of the CSR programmes because most of their image and reputation building is done through publicity. From the five mentioned strategies the Mine has four main programmes they implement namely, education, health, environment, infrastructure and agriculture. These programmes are implemented in detail below and how they have helped Unki Mine enhance its corporate reputation.

The Public’s Perceptions on the Relevance of CSR Programmes at Unki Mine.

The above table shows that the CSR programmes implemented by the Mine are seen as very relevant by the stakeholders. Approximately 96% of the respondents stated that the CSR programmes implemented by Unki Mine are relevant to addressing the needs of their stakeholders. About 4% of the respondents think that the CSR programmes implemented by the Mine are meant to benefit the organization without the people at heart. The reasons for this perception was linked to the failure of the toilets project in which some of the public’s concluded to have failed because the mine probably implemented the project so as to get rid of their excess cement and not let it go to waste when it expires. As noted by (Grunig and Hunt ,1984, p.10) Situational theory which assumes that the public’s have control over the messages brought to them, it was revealed in the study by the 4% who dispute the relevance of the CSR strategies implemented by the Mine. Despite the efforts by the Mine PR department to set the agenda as suggested by McCombs and Shaw there are some individuals who saw things differently.

Enhancement of Corporate Reputation

Again the study findings indicate that Unki Mine through its different CSR strategies has managed to enhance its corporate reputation. Corporate reputation is a ‘soft’ concept. It is the overall estimation in which an organization is held by its internal and external stakeholders based on its past actions and probability of its future behavior (Harrison, 2005, p 64). Good corporate reputation has a strategic value for the organization that possesses it. Corporate reputation ensures acceptance and legitimacy from stakeholder groups, generates returns and may offer a competitive advantage as it creates or forms an asset that is difficult to imitate by competitors.

Through publicity people are able to recognize Unki Mine using its Anglo Platinum concentric circle logo. A company can be easily recognized through its corporate colours. It is the policy of the CED department that whenever Unki Mine donates to the public they brand their donations, this way the public is able to see that it is Unki Mine ploughing back to the community. All vehicles belonging to Unki Mine are branded so that they can easily be identified. The CED department distributes its monthly Newsletter to all its major stakeholders monthly. The Newsletter gives a summary of the CED programmes progress for that month. The department also has a yearly brochure which shows all CSR programmes implemented for the year ending. All these publications bare Anglo Platinum and Unki Mine Logo.

CONCLUSION

The conclusion reached by researchers after the data accumulated in the study is that Unki Mine implements various CSR programmes that assist them to boost their reputation as Mining Corporation. Again the mining company uses publicity, advertising, corporate philanthropy, public relations and donations as practice of excellent PR practices that improves the mining corporation’s image and reputation. Furthermore, researchers found that, through the implementation of different CSR programmes, Unki Mine has managed to build and maintain mutually beneficial relationships with their publics using two-way communication model as suggested by Osgood and Schramm (1954). Advertising is another strategy used by Unki Mine to enhance its corporate reputation. Different types of advertising that can put into place by PR practitioners and these include newspaper, magazine, outdoor, cyber and clothing advertisements. Research outcome revealed that Unki mine has mostly embarked on clothing advertising as they give their employees printed shirts, t-shirts jackets and bags with the Anglo logo and corporate colours.

REFERENCES


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