

EFFECTS OF MINING ACTIVITIES ON CORPORATE SOCIAL RESPONSIBILITY

A CASE STUDY ATKONKOLA COPPER MINES.

BY

YORAM CHIKONKOLO

(715808254)

A dissertation submitted to the University of Zambia in collaboration with Zimbabwe Open University in partial fulfilment of the requirement for the award of the degree of Master in Business Administration.

THE UNIVERSITY OF ZAMBIA,LUSAKA.

2018

Declaration

I Yoram Chikonkolo, hereby declare that this submission is my own work towards a Master's Degree in Business Administration and that to the best of my knowledge, it includes no material previously published by others nor material which has been accepted for the award of any other degree or diploma of the university, except where due acknowledgement has been made in the text.

Signed: _____ Date: _____

YORAM CHIKONKOLO

(Student)

Dr. Muchemwa _____ Date: _____

(Supervisor)

Dedication

This thesis is dedicated to my late dad Mr. Patrick Chikonkolo for showing me the value of education.

I also dedicate this thesis to my mum for the perseverance and for the suffering she went through (after the death of my father) to make sure that I go to school even though she never saw an inside of a classroom.

To my beloved wife Clara Kabemba Chikonkolo and my lovely children, Lisubilo, Lubuto, and Natasha - This is for you -

APPROVAL

This dissertation has been approved as a partial fulfillment of the requirement for the award of the degree of Masters of Business Administration of the University of Zambia in collaboration with Zimbabwe Open University.

Examiner Signatures :

Signature í í í í í í í í í í í í í . Date í í í í í í í í í í í í í í

Signature í í í í í í í í í í í í í ... Date í í í í í í í í í í í í í í

Signature í í í í í í í í í í í í í . Date í í í í í í í í í í í í í í

ACKNOWLEDGEMENT

First and foremost I would like to sincerely thank my supervisors Dr Victor Muchemwa for seeing the potential in me and for his valuable and excellent motivation, guidance and constructive input throughout this project.

I also wish to extend my deepest thanks to the following people at KCM who made important contributions to the work presented in this thesis Mr. Brian Siatubi (Manager of Corporate Social Responsibility) and Mrs. Patricia Katongo Kabwe (Manager of Human Capital Development) for their support for this research project.

I want to thank all my dear colleagues at UNZA/ZOU for their friendship and support. Special thanks to Mr. Peter Mumba, Joseph Batala, Cremount Laki, Ntoka Dube, Mukonde Mwewa and Judith Mulenga for important and valuable research discussions and for all the laughter and fun moments.

Yoram Chikonkolo

Unza/Zou, September, 2018

TABLE OF CONTENTS

	Page
Declaration.....	i
APPROVAL	iii
ACKNOWLEDGEMENT	iv
LIST OF TABLES	viii
LIST OF FIGURES.....	ix
LIST OF GRAPHS.....	x
List of Acronyms.....	xi
Abstract.....	xii
CHAPTER ONE	1
1.0 INTRODUCTION	1
1.1 Background to the Study	1
1.2 Statement of the Problem	4
1.3 Purpose of the study	4
1.4 Main Objectives of the study.....	4
1.5 Study questions.....	5
1.6 Significance of the study	5
1.7 Assumptions of the study	5
1.8 Theoretical framework	5
1.9 Limitations of the study.....	6
2.0 The definition of terms	6
1.9 Corporate Social Responsibility.....	7
1.1.0 Delimitation of the study	8
CHAPTER TWO	9
LITERATURE REVIEW	9
2.0 Introduction	9
2.1 Basic Approaches to Social Responsibility.....	9
2.1 Corporate Social Responsibility Latest Definitions	11
2.2 Corporate Social Responsibility Theories	11
2.3 Arguments for Corporate Social Responsibility.....	15
2.3.1 Stakeholder Theory	15
2.4 Arguments against Corporate Social Responsibility	17
2.4.1 Shareholder Theory.....	18
2.5 Importance of Corporate Social Responsibility.....	19
2.6 Global impacts of Mining on Corporate Social Responsibility.....	19

2.7 International promotion of Mining on Corporate Social Responsibility.....	21
2.8 Regional impacts of Mining on Corporate Social Responsibility.....	24
2.9 Corporate Social Performance.....	24
2.10 Types of Corporate social responsibilities	26
2.11 Konkola Copper Mines Activities	27
2.12 KCM and its Corporate Social Responsibility.....	29
2.13 KCM's Corporate Social Responsibility Approach.....	31
CHAPTER THREE.....	33
METHODOLOGY	33
3.0 Introduction	33
3.1 Research design	33
3.2 Research population.....	34
3.3 Sample Size determination	34
3.4 Sampling Procedure	36
3.5 Research instruments	37
3.6 Data collection procedures	37
3.6 Data analysis procedure	37
3.7 Ethical consideration.....	38
3.8 Validity and Reliability.....	38
3.8.1 Reliability.....	39
3.8.2 Validity.....	41
CHAPTER FOUR.....	42
PRESENTATION OF FINDINGS	42
4.0 Introduction	42
4.2. Analysis of Major Findings.....	44
CHAPTER FIVE.....	50
DISCUSSION OF FINDINGS	50
5.0 Introduction	50
5.1 Discussion	50
CHAPTER SIX.....	52
CONCLUSION AND RECOMMENDATIONS	52
Conclusion	52
6.1 Recommendations.....	52
Recommendations for further research.....	54
REFERENCES.....	55
APPENDICES	56
Appendix A: Location of the KCM Community in Chingola	56

Appendix B: KCM CSR Activities since 2004.....57
Appendix C: Questionnaire for Respondents.....58
Appendix D: Ethical clearance letter.....63

LIST OF TABLES

	Page
Table 2-1: Development of CSR conceptsí í í í í í í í í í í í í í í í í í ...í í í í	11
Table 2-2: Corporate social responsibilities theoretical research gapí í í í í í íí	13
Table 2-3: The 10 Principles of UN Global Compactí í í í í í í í í í í í í í .í í í	22
Table 3.1: Reliability Statisticsí í	39
Table 4-1: Response rate on the questionnairesí í í í í í í í í ...í í í í í í í í	41
Table 4.2: Overall Descriptive Statistics of CSR at KCMí í í í ..í í í í í í í í í	44
Table 4.3: Response on whether mining has assisted in improving the community livelihoodí í	45
Table 4-4: Effects of Mining on communityí í í í í í ...í í í í í í í í í í í í í	47

LIST OF FIGURES

	Page
Figure 2-1: Showing Internal and External stakeholdersí í í í í í í í í í í í í í .15	.15
Figure 2-2: Presents a graphical depiction of Carroll's Pyramid of CSRí í í í íí 25	25
Figure 2-3: Showing location of KCM Operations in Zambiaí í í í í í í í íí í 27	27
Figure 2-5: KCM Corporate Sustainability Organisation: Management.....í í í 29	29
Figure 4.1: How KCM been relating with the Communityí í í í í í í í í í í í í 43	43

LIST OF GRAPHS

	Page
Graph 4-1: Response on questionnaires on 3 Groupsí í í í í í í ...í í í í í í í í	42
Graph 4-2: Whether mining has assisted in improving the living standards.í ..í í í í í í	46
Graph 4-3: Effects of Mining on the communityí í í í í í í í ..í í í í í í í í í í	47

List of Acronyms

Symbol	Description
AAC	Anglo-American Corporation
CSP	Corporate Social Performance
CSR	Corporate Social Responsibility
Dev	Deviation
GDP	Growth Domestic Product
ILO	International Labour Organisation
KCM	Konkola Copper Mines
KDMP	Konkola Deep Mining Project
LME	London Metal Exchange
Std	Standard
UNDP	United Nations Development Programme
UOB	Upper Ore Body
WB	World Bank
ZCCM-IH	Zambia Consolidated Copper Mines & Investment Holdings
7NDP	7 th National Development Plan

ABSTRACT

This study explored the effects of mining activities on CSR. The target population size was 14170 while the sample size drawn was 68. This was drawn from the communities, KCM employees, KCM Business partners and the community around the mining town in Chingola.

The research established that (44%) of the respondents indicated that KCM had not been relating well with the community, whilst 35% stated that they have been relating well while 21% stated that they were not sure. This was confirmed by the Likert scale that showed that while the company has been performing well in jobs creation opportunities, (mean 4.46, std dev 0.75), it is perceived that the company has not been relating well in the areas of donations to the community, (mean, 1.8, std dev 0.77), recreation facilities, (mean, 1.7 std dev 0.81), Small scale activities, (mean 1.93, std dev 1.06) and skills training, (mean 1.96, std dev 0.84). The study also indicated that 41% strongly agreed that mining can improve the living standards, with 21.7% not sure while 4.3% strongly disagreed. Finally, the study revealed that KCM mining activities has a positive effect on with 48% of the respondents being in agreeable while 35% were negatively affected with 17% were neutrally unaffected. The study recommended that the government must put in place deliberate policy which will strengthen and enhance the relationship between the mining firms and the community in which they operate. Mining firms must demonstrate that resources are being used effectively and that community initiatives positively contribute to sustainable development. Also, the highly mechanised nature of the mining industry means that companies cannot guarantee employment for local communities and in any case they are trimming on labour, so they need to find other means to add value to communities and set in motion a long-term multiplier effect, through their CSR initiatives.

CHAPTER ONE

1.0 INTRODUCTION

This chapter looks at the background to the study, then problem statement, the purpose of the study, The main objectives, the main objectives of the study, the study questions, significance of the study, assumptions of the study, definitions of key terms and delimitation of the study.

1.1 Background to the Study

Corporate social responsibility started during the Industrial Revolution when emerging businesses were especially concerned about employees and how to make them more productive workers (Carroll, 2010). With all of the attention that CSR has garnered in recent years, it has become something of a business necessity. All else being equal, many 76% of customers will choose a company with CSR initiatives over one without when choosing whom to give their business to. Similarly, potential employees, especially recent college graduates, are looking to work for companies that are involved in CSR and seem to care about society and the environment. This is according to Asia's most recognition award (Global CSR Study, 2017). CSR may also attract more investors, which can result in increased capital and potential growth. Those companies without CSR may find that they are behind the curve and suffer from decreased competitive advantage (Carroll & Shabana, 2010). In the mid-1990s there was criticism of multinational companies around the world. The criticism was directed primarily against western corporations and their production in developing countries (Grafstrom et al., 2009). One case of the sportswear company Nike, got massive criticism about sweatshop conditions at its overseas suppliers (Zadek, 2014). Another case is the conflict between Shell and Greenpeace, when Shell decided to dump the Brent Spar oil storage platform in the North-East Atlantic (Grolin, 2010). A more recent example is where the interest for ethical standards and CSR saw an increase is the British Petroleum Deepwater Horizon oil catastrophe in the Gulf of Mexico in 2010 (Balmer, 2010). It is therefore, the new and more demanding requirements from civil society to urge companies to address a much broader scope of responsibilities (Grolin, 2014). Corporate social responsibility has become a rather high-profile issue in industries in many parts of the world in recent years (Hamann, 2012).

. Sen (2011) defines, Corporate Social Responsibility (CSR) as a business management concept that originated in the early 1930s after the Wall Street crash of 1929 exposed corporate irresponsibility in large organisations. Since then, CSR has continued to be the focus of business operations and a popular topic of investigation for practitioners and academics from a range of disciplines. With the

advent of globalisation and the development of international trade, the concept of corporate social responsibility has been receiving an increasing acclaim.

Today, the description of CSR has continued to receive various attentions. Olivier Barry the President of Eurhonet described CSR as "A concept based on the fact that a company affects society in both a positive and negative sense. It consists of three aspects that must be integrated into the company's daily operations. These are social responsibility, environmental responsibility and economic sustainability. This should pervade all decisions, future investments and daily activities, always in collaboration with any other interested parties which are customers, its owner, its employees and its collaborative partners", (CBN, 2016)

Since entering into the twenty-first century, more focus has been given to implementation of CSR initiatives and empirical study of CSR impacts. However, some development of the CSR concept has been continuously observed. Schwartz and Carroll, (2003) reduced Carroll's four categories of corporate responsibilities (i.e. economic, legal, ethical and philanthropic) to three-domain approach, namely economic, legal and ethical. The International Labour Organization (ILO, 2017) redefined CSR as a way that enterprises consider the impact of their operations on society and CSR principles are integrated in enterprises' internal processes and interactions with stakeholders on a voluntary basis. More recently, the European Commission (2011) simplified the CSR definition as the responsibility of enterprises for their impacts on society, which indicates that enterprises should have a process in place to integrate CSR agenda into their operations and core strategies in close corporation with stakeholders. The World Business Council for Sustainable Development (WBCSD) (2012) also emphasized a balance of return on financial, natural and social capitals, particularly suggesting the integration of CSR reporting into annual report.

In Mining industry, Corporate Social Responsibility (CSR) refers to voluntary actions undertaken by mining companies to either improve the living conditions (economic, social, environmental) of local communities or to reduce the negative impacts of mining projects. By definition, voluntary actions are those that go beyond legal obligations, contracts, and license agreements.

The role for CSR in the mining industries of developing nations like Zambia, continues to be debated. Historically, the mining industry has taken a 'devil may care' attitude to the impacts of its operations; operating in areas without social legitimacy, causing major devastation and then leaving when an area has been exhausted of all economically valuable resources. Cost benefit language has often been used to excuse the damage caused in one place because it is outweighed by the overall financial benefits, (Idowu, 2012)

The concept of corporate social responsibility is based on the argument that business is sanctioned and promoted by society. Society legitimates business by allowing it to function and to use the scarce resources. Society also provides an environment for business to earn profits (Dubrin, Irland and Williams, 2009). In turn society expects business organisations to be good corporate citizens, obeying society's laws and refraining from activities that have negative social impacts such as pollution, discrimination and exposing workers to hazardous working conditions. Besides, business organisations have an obligation to act for the social good. Under this social contract, business should not exist just to make profits but it has an obligation to have a proactive role in finding solutions to society's many problems and to engage in activities aimed at improving society's welfare, even if in so doing it reduces its economic profits (Drucker, 1955).

CSR is on the global agenda today, but the importance attached to it may differ in each country (Filho, 2009). A transnational organization for example; may be faced with differing aspects of CSR in different countries of operation. What is included in the concept of CSR in one country may perhaps be of little or no significance in another.

Zambia has a long history of mining and a large known resource base of copper, emeralds, and other deposits. It also has very good potential for further discoveries. Mining accounts for 12% of Zambia's GDP and 70% of total export value (World Bank, 2015). Mining has many effects on Corporate Social Responsibility (CSR), including environmental pollution, environmental degradation, social and economic effects can result from mining. Mining can also result in a number of technological, economic, environmental, social and financial consequences which can affect its CSR.

This thesis will look at the effects of mining on corporate social responsibility at Konkola Copper Mines (KCM). KCM as a mining industry plays an important role in the country's development both as a source of employment and as a community service. Even though the sector is comparatively small, it has a contribution to the national treasury, (KCM journal, 2015).

There are concerns about CSR issues surrounding KCM as a mining sector. Zambia's regulations in this area are a good starting point, but regulatory and monitoring agencies must be strengthened to conduct more meaningful consultation among stakeholders on issues affecting the sector, (World Bank, 2015).

Mining activities can therefore affect the CSR as can be seen in the standard of living, employment levels, health care, social facilities and the economic status in the town of Chingola.

1.2 Statement of the Problem

Konkola Copper Mines (KCM) has been involved in Corporate Social Responsibility (CSR) activities since 2004. The company has been spending \$15m every year on CSR activities. It has been involved in the provision of health, social, economic and recreational facilities. This is according to and KCM journal, 2018. Chingola is a mining town and people depend on the mining activities. Despite KCM involvement in the corporate social responsibilities, the effects of their CSR activities have not been felt. Information obtained from the community had shown that the effects of mining activities on CSR have not been progressive as the standard of living had been deteriorating in the community around Chingola. The community have inadequate housing, low standard schools, poor hospitals and bad roads and most of the people who inhabit these areas are not in formal employment, (Mayondi, 2014). The community feels the amount spend on CSR is not enough and a lot need to be done interms of expenses to meet their demand.

1.3 Purpose of the study

The purpose of the study was to examine and better understand the effects of mining activities on corporate social responsibilities at KCM. Mining activities can leave a huge gap between the expectations of the community and their actual CSR results. The motivation for the study came from the combined influence of the growth in KCM mining activities in Zambia in the last few years and the well-established challenges that arise from conflicts between KCM operations and the communities in which it operates. The violent and socially destructive interaction between KCM and its stakeholders warranted a review of the framework on which the interaction is built.

1.4 Main Objectives of the study

The main objective of the study was to assess the effects of mining activities on CSR at KCM in regard to community concerns such as health, environmental, social and recreational activities in the communities around Chingola town.

The Specific Objectives were:

- (a) To access the extent to which KCM conduct corporate social responsibilities to Chingola community.
- (b) To examine how mining has assisted the improvement in the livelihood of people in the community.
- (c) To ascertain the effects of KCM mining activities on the community.

1.5 Study questions

- (a) To what the extent is KCM involved in its conduct of corporate social responsibilities to Chingola community?
- (b) Has mining assisted in the improvement of the livelihood of people in the community?
- (c) What are the effects of KCM mining activities on the community?

1.6 Significance of the study

This study was important in that it would contribute to the body of knowledge on the role of mining companies in enhancing corporate social responsibilities. This knowledge will positively improve the performance of the mining firm as well as its stakeholders. It will be helpful to both the, stakeholders, investors and policy makers on the concept of encouraging the corporate world to engage itself in social responsibility as a way of sustainability in the mining industry. CSR always supplement the government effort in uplifting the standard of living in the community.

The study will further provide a foundation for further research on the corporate social responsibilities of Konkola Copper Mines, including other mining houses. Effective decision making will benefit not only the mining industries but also the entire country. A win-win situation in mining CSR activities will benefit the mining firms as well as the community.

1.7 Assumptions of the study

The assumption was that the livelihood of Chingola depends on the viability of mines and it is the major employer in town with other factors being constant. The people depend on the CSR activities of the mining industry. Also, it is assumed that the data collected was accurate and factual and the respondents provided information which was truthful and accurate. The analysis of the CSR activities at KCM community is assumed as a representative of the sample for the mine and the community.

1.8 Theoretical framework

To bridge the differences in theory and practice of CSR, this study adopted the stakeholder and legitimacy theories as the basis of theoretical framework. It is always better to get deep insights through more than one single theory in order to obtain fuller understanding of the practice, Deegan, Rankin and Voght, (2009) and theories should not be considered as competing but as complementary to each other, Gray et al. (2005).

Freeman's (1984) stakeholder theory suggests that a company's obligation is not only to maximise profit but also to increase stakeholder satisfaction. This theory has been used in other studies and used to understand struggles in developing reciprocal relationships between communities and companies (Weerts, 2007). Similar to these past studies, the analysis of CSR in this study draws on stakeholder approach.

1.9 Limitations of the study

Accessibility to information was one limiting factor which the researcher faced. There has been little study about mining activities and their effects on CSR in Zambia. Most of the studies have been done on environmental CSR.

Also obtaining the quantitative data of financial and performance reports was a challenge because the firm under study had a policy of non-disclosure of certain information. So, it was difficult to collect information on the budgets and CSR expenses.

2.0 The definition of terms

The definition of terms explains how some terms have been used in this study.

Corporate Social Responsibility

CSR is defined as continued commitment by Konkola Copper Mines beyond legal requirements, to fairly and responsibly contribute to economic development while improving the lives of their workers, families and community as at large.

Mining companies

These are both multi-national and national companies that have the licenses to mine, explore, and export a variety of minerals especially copper as the case is for Zambia

Mining:

The extraction and concentration of minerals of economic value from the earth.

Mining activities

These are mining schemes which involves the investment of resources at the onset in expectation of net profit benefit at a later stage.

Stakeholders

Government, a person, organization, community, political party, funder and/or department that can influence mining activities and/or have a 'stake' in the operations of the mining industry.

Community:

Is a group of people living together or having a particular characteristic in common.

Mining community is where the population is significantly affected by a nearby mining operation. For example, the community may be affected through offering them with more jobs or less. It could also be affected through pollution. The community may be associated with the mining venture through employment or through environmental, social, economic or other effects.

Strategic Operation: A plan of action implemented by a mining firm such as KCM that describes how they employ their resources in the production of a product or service.

1.9 Corporate Social Responsibility

Corporate social responsibility is the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law and union contract. Two facets of this definition are critical. First, the obligation must be voluntarily adopted; behaviour influenced by the coercive forces of law or union contract is not voluntary. Second, the obligation is a broad one, extending beyond the traditional duty to shareholders to other societal groups such as customers, employees, suppliers, and neighbouring communities (Thomas, 1980).

CSR is viewed as a social construction and, as such, it is not possible to develop an unbiased definition (Dahlsrud, 2006). Corporate social responsibility is the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life (WBCSD, 2010). CSR is also the continuing commitment by business to behave ethically and contribute to economic developments while improving the quality of life of the workforce and their families as well as the local community and society at large (Cornelius, 2009) Corporate social responsibility as a construct that encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time (Carroll, 1979) and (Mirshak, 2007).

Hamann (2012) goes further in defining CSR. He believes that companies need to realize that CSR is not about how 'some percentage of after-tax profit is invested in social development' but the efforts need to start at the very beginning. How profits are made in the first place'. Keith Davies (1973) defines this as: 'It is the firm's obligation to evaluate in its decision-making process the effects of its decisions on the external social system in a manner that accomplished social benefits along with the traditional economic gains which the firm seeks'. So, CSR goes beyond a philanthropic 'add on' investment in communities. Social, environmental and ethical values need to be incorporated in the core activities and decisions of the company. In every decision a company

makes, including the economic ones, a company needs to evaluate the effects these decisions have on their surroundings. Business cannot be separated from society, they are interlinked (Hamann, 2003). Economic transactions themselves are based for a large extent on social norms and values (Sen, 1999).

CSR programs can provide a variety of benefits for companies. CSR helps to attract and retain high quality employees, generate a positive corporate image, and enhance product evaluation via an overall evaluation of the firm (Pirsch, 2007).

“To fully meet their social responsibilities, companies should have in place a process to integrate social, environmental, ethical and human rights concerns into their business operations and core strategy in close collaboration with their stakeholders” (European Commission, 2011)

1.1.0 Delimitation of the study

The study was limited to corporate social responsibility at KCM due to its mining activities in Chingola and surrounding community and the survey was conducted from the stake holders of KCM which are the employees, business partners and the community. These stakeholders have a stake in KCM mining activities. And the results of this thesis are a result of KCM mining activities only.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

Literature review is an objective, critical summary of published research literature relevant to a topic under consideration for research (Labaree, 2009). This chapter therefore looks at the CSR literature review, the basic approaches to corporate social responsibility, the two school of thoughts for and against CSR, and the various scholars of corporate social Responsibility, theoretical framework, CSR theories, arguments for and against CSR, Importance of CSR, Global and regional practices of CSR, Corporate Social Performance (CSP), Types of corporate social responsibility and KCM CSE practices and its implementation.

2.1 Basic Approaches to Social Responsibility

Social responsibility involves taking actions that help advance society. A socially responsible organization attempts to remain ethical, putting morals ahead of profits. There are four various general approaches to social responsibilities and can be divided into four basic stances: Obstructionist, Defensive, Accommodative, and Proactive (Amanda, 2010).

2.1.1 Obstructive

An organization which holds an obstructionist stance tries to block and stop what is going on and avoid corporate social responsibility (Steege, 2011). When an obstructive company cross the ethical or legal line that separates acceptable from unacceptable practices, their typical response is to deny or avoid accepting responsibility for their actions by blocking any attempts to point out the company's lack of social responsibility to defend its economic priorities. An obstructive company does not make social responsibility an effort, instead making profits the most important aspect of its business. Some people view obstructive businesses as immoral since they may exploit their employees, pollute natural lands or deceive customers (Kanobi, 2010).

2.1.2 Defensive

In most cases, companies that take a defensive stance towards social responsibility are not particularly responsible (Kanobi, 2013). Companies hold the concept of "argues that nothing has been done wrong by them despite possible bad outcomes", and doing only what is required of them by law and nothing more (Steege, 2011). These companies may consider themselves neutral, and

they make profits a more important motive than performing actions in a socially responsible way. They make a point of following the law to ensure that others cannot take legal action against them. A company may create more waste than necessary, but it will remove of the waste in a legal method rather than dumping it illegally (Kanobi, 2010).

2.1.3Accommodating

An accommodating stance signifies that a company believes social responsibility is important and perhaps as important as making a profit Accommodating stance is "approach to social responsibility by which a company exceeds legal minimums in its commitments to groups and individuals in its social environment". A business that employs an accommodative stance to social responsibility "provides information and facts and doesn't try to hide things" (Steege, 2011). Social responsibility is a term referring to the accountability businesses have to balance out their commitments to people, including customers, other businesses, investors and employees. Accommodative social responsibility is a strategy used when a company chooses to accept responsibility for certain problems and takes the initiative to solve them. (VanBaren, 2010).

2.1.4Proactive

Proactive is the highest degree of social responsibility that a firm can exhibit, (Griffin, 2012). A proactive stance, as opposed to a reactive one, involves acting in advance of a future situation rather than simply responding to a situation that has already happened. Ultimately, a proactive organisation "actively provides and tries to figure out how to help instead of being reactive" (Steege, 2008). Logically, customers are much more trusting of such companies. Firms that adopt this approach take to heart the arguments in favour of social responsibility. They view themselves as citizens in a society and proactively seek opportunities to contribute, (Griffin, 2012). Proactive behaviour aims at identification and exploitation of opportunities and in taking pre-emptor action against potential problems and threats, whereas reactive behaviour focuses on fighting a fire or solving a problem after it occurs. Companies can be either proactive or reactive in responding to events that impact them. Companies that take a proactive stance plan in advance and initiate action to deal with events, instead of merely responding to events. Besides, proactively is about initiating change within the organisation. In the area of customer service, for instance, a company may take proactive action to recall a product if it finds that there is a problem with it, rather than waiting for consumers to complain and then reacting to the issue (Pondent, 2010).

2.1 Corporate Social Responsibility Latest Definitions

The World Business Council for Sustainable Development defined Corporate Social Responsibility as the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large, (WBCSD, 2010). Hence the fundamental idea of CSR is that business corporations have an obligation to work towards meeting the needs of a wider array of stakeholders (Clarkson, 1995; Waddock et al., 2009). More generally, CSR is a set of management practices that ensure the company maximizes the positive impact of its operations on society or is operating in a manner that meets and even exceeds the legal, ethical, commercial and public expectations that society has of business (BSR, 2011).

Other scholars defined CSR as "the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large," (Baker 2009).

In 2011, Harvard Business School Professor Michael Porter put forward a radical proposition to global corporations. "Businesses must reconnect company success with social progress," he wrote in the Harvard Business Review. "Shared value is not social responsibility, philanthropy, or even sustainability, but a new way to achieve economic success. It is not on the margin of what companies do but at the center," (Porter, 2011). "To advance CSR, we must root it into a broad understanding of the interrelationship between a corporation and society while at the same time anchoring it in the strategies and activities of specific companies" (Porter & Kramer, 2009):

2.2 Corporate Social Responsibility Theories

There is a great variety of existing theories on CSR and one difficulty is to identify the most important of these.

Table 2-1. Development Stages of CSR concepts

Period	Name of concept	Description	Literature
1950s	Social responsibility of businessmen	The obligations of businessmen to pursue policies, to make decisions or to follow lines of action which are desirable in terms of the objectives and values of society	Bowen (1953)
		Some socially responsible business decisions can be justified by the long-run economic gain of the firm, thus, paying back for its socially responsible behaviour.	Davis (1960)
		Private contribution to society's economic and human resources and a willingness on the part of business to see that those resources were utilized for broad social ends	Frederick (1960)
1960s-1970s	Stakeholder approach	Instead of striving only for larger returns to its shareholders, a responsible enterprise takes into account the interests of employees, suppliers, dealers, local communities and the nation as a whole.	Johnson (1971)
	Three dimensional model	The concept consists of corporate responsibilities (i.e., economic, legal, ethical and philanthropic), social issues of business (e.g., labour standards, human rights, environment protection and anti-corruption) and corporate actions (e.g., reactive, defensive, accommodative and proactive).	Carroll (1979)
1980s-1990s	Three-dimensional model of principles,	Integration of the principles of corporate responsibility, the policies	Wartick and Cochran (1985)

	policies and processes	of social issue management and the process of action into an evolving system.	
	Institutional framework and extended corporate actions	Four types of corporate responsibilities (i.e., economic, legal, ethical and philanthropic) were linked to three institutional levels (i.e., legal, organizational and individual), while corporate actions are extended to assessment, stockholder management and implementation management.	Wood (1991)
2010	Three-domains approach	Three domains of corporate responsibilities: economic, legal and ethical.	Schwartz and Carroll (2012)

Source: Garriga and Mele (2009)

Garriga and Mele (2004) distinguish four groups of CSR theories, considering their respective focus on four different aspects of the social reality. These are instrumental, political, integrative and ethical theories. The first one focuses on economics and the corporation is seen as a mere instrument for wealth creation. The second group focuses on the social power of the corporation and its responsibility in the political arena associated with its power. The third group focuses on social integration. It includes theories which consider that business ought to integrate social demands. The fourth group of theories focuses on ethics, it includes theories which consider that the relationship between business and society should be embedded with ethical values. Garriga and Mele (2004) have classified the CSR theories considering the main focus of each one and suggest that the concept of business and society relationship must include these four aspects or dimensions and some connection among them must exist.

Table 2-2. Corporate social responsibilities theoretical research gap

Studied By	Year	Findings	Gap
Okoye	2012	When CSR is linked to development in Africa, it is often asserted that companies are performing the role of governments and this presents its own challenges.	There is need to address and understand the role of new-found corporate role to foster development.
Ho	2013	Some governments support CSR in an effort to minimize the negative externalities of corporate activity, create a level playing field for business, bolster the legitimacy of law and state policy, and fill governance gaps created by the state's own institutional weakness	Some Corporations can engage in CSR for sustainability purposes and for legitimacy purposes
Idemudia	2008	CSR is now seen not only as a means by which business can mitigate the impact of the negative externalities that arise from its operations but also as a means to contribute to sustainable development in the Africa	Mining which plays a critical role in developments should be considered. Mining can rapidly contribute to the achievement of Millennium Development Goals.
Adeyanju	2012	The result of regression revealed a strong and significant relationship between CSR and societal progress. Which means CSR plays a significant role in societal progressiveness in terms of environmental and economic growth.	Mining can have detrimental effects on the environment. Proper policies and procedures can mitigate the effects of mining.

Source: Garriga and Mele (2004)

2.3 Arguments for Corporate Social Responsibility

The arguments for CSR tend to focus on the relationship between power and responsibility, the need for good stakeholder relations, and business's desire to forestall government regulation. The arguments for Corporate Social Responsibility states that, Corporations should be and could be a major force for resolving environmental and social concerns in the twenty-first century, (William Ford Jr, 2004). CSR is therefore the right thing to do. Some of society's problems in the mining industry such as pollution and poverty have been created by corporations due to mining activities. It is therefore the ethical responsibility of business to correct these wrongs. Also, the businesses have many of the resources needed for solving society's problems and they should use them to do so. And another reason for companies to be socially responsible is that if businesses are not, then the government create new regulations and establish fines against corporations. This has especially been the case for the pollution issue. If businesses police themselves, they can avoid government intervention. Social responsibility can be profitable. It is possible for companies to prosper and build shareholder value by working to solve social problems in the community. It can be a great way for a company to build positive public relations and attract top talent in the industry. Today, few people argue whether corporate social responsibility is important or not. Instead, people argue about the degree and forms of social responsibility in which businesses should engage. At the core of the CSR debate is the idea that Corporations should transition from a state of mere compliance to a mode of engagement, from harm minimisation to value creation (Luetkenhorst, 2004;

2.3.1 Stakeholder Theory

The proponents for CSR are commonly the stakeholders. The term "stakeholders" is broad in scope and have been defined as all those with a "critical eye" on corporate actors (Bowman-Larsen and Wiggen, 2004). Freeman (1984) states that stakeholders are "groups and individuals who can affect or are affected by, the achievement of an organisation's mission". Stakeholders, acting either formally or informally, individually or collectively, are a key element in the firm's external environment that can positively or negatively affect the organisation (Murray and Vogel, 1997). In a more recent article, Friedman and Miles (2006) notes that other subgroups may have an interest, such as academics, non-governmental organisations and government.

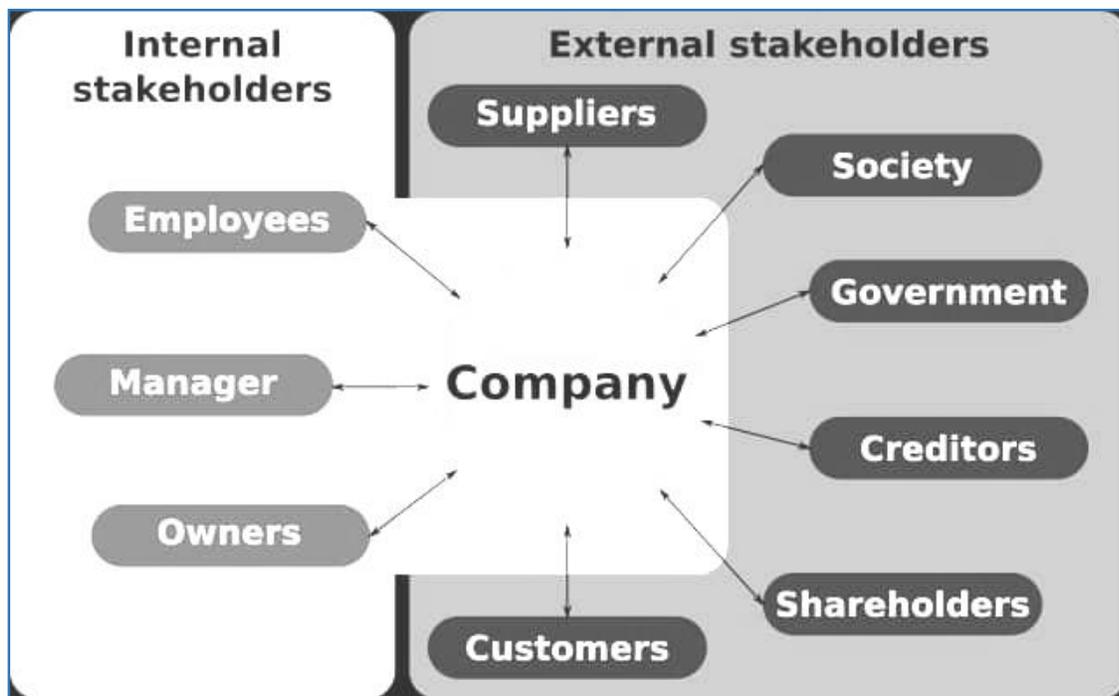
This theory maintains that corporations should consider the effects of their actions upon the customers, suppliers, general public, employees, and others who have a stake or interest in the corporation (Jensen, 2002; Smith, 2003a; Freeman, Wicks, & Parmar, 2004; Lee, 2008; Schaefer,

2008). Supporters reason that by providing for the needs of stakeholders, corporations ensure their continued success. Proponents of stakeholder theory maintain that increasing shareholder wealth is too myopic a view. According to stakeholder theory, increased CSR makes firms more attractive to consumers. Therefore, CSR should be undertaken by all firms, (Seglin, 2002).

Carroll (1991) supported the stakeholder theory and stated that, "there is a natural fit between the idea of corporate social responsibility and an organisation's stakeholders", he clarified that stakeholders should be satisfied with the company's objectives. He further stated that this win-win outcome is not always possible but suggested that, should this be achieved, the long-term protection of the company with the company's interest increases.

These proponents for CSR believe in providing for society's discretionary expectations. In addition to making a profit and obeying the law, a company should attempt to alleviate or solve social problems.

Figure 2-1: Showing Internal and External stakeholders



Source: Freeman(1984).

2.3.2 Legitimacy theory

Legitimacy theory emphasises that organisations continually attempt to ensure that they are perceived as functioning within the bond and norms of the society in which they operate (Deegan, 2009). Legitimacy theory implies that a "social contract" exists between a business organisation

and its respective societies (Deegan, 2006; Deegan & Samkin, 2009). This social contract deals with whether an organisation operates within the above bounds and norms of society or, simply, the expectations of society. The terms of this contract could be partly explicit and partly implicit. Explicit terms consist of legal requirements, whereas community expectations constitute implicit terms (Deegan, 2000). An organisation needs to ensure that these terms are not breached in order to maintain a good state of legitimacy for the organisation through which society allows the organisation its continued existence.

One of the Lindblom's (1994) legitimisation strategies can be employed by adopting CSR activities and CSR reporting. As an example, organisations generally tend to disclose positive CSR behaviour rather than negative news (Gray et al. 2010). This strategy implies that through CSR disclosure, organisations seek to communicate their legitimisation actions (Deegan, 2007).

Some activities and events, such as environmentally friendly organisational behaviour, community development projects, and disclosing positive news, enhance organisational legitimacy, whereas some activities, such as a major accident or a financial scandal published in mass media, decrease it, (Gray, 2010)

2.4 Arguments against Corporate Social Responsibility

The arguments against CSR tend to focus on the economic function of business (to make products, not to solve social problems that are the responsibility of individuals, society, and the government), the imposition of unequal costs on some companies and stakeholders, and lower economic efficiency.

Skeptics such as Milton Friedman, often claim that businesses should focus on profits and let the government or nonprofit organizations deal with social and environmental issues. He argued that social issues are not the concern of business people and that these problems should be resolved by the unfettered workings of the free market system (Friedman 1962). "There is one and only one social responsibility of business—to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud," Milton Friedman, (1970)

In an important Harvard Business Review article in 1958, Theodore Levitt spoke of "The Dangers of Social Responsibility." Levitt argued that long-run profit maximisation is the one dominant objective of business, in practice as well as theory (Levitt, 1958)

Peter Drucker, a management guru also stated, "CSR is a dangerous distortion of business principles. If you find any executive who wants to take part in social responsibilities, fire him", (Drucker, 2004).

2.4.1 Shareholder Theory

The opponents for Corporate Social Responsibility are mainly categorised into shareholders theory. Shareholder theory proposes that the corporation should legally maximise long-term shareholder wealth (Schaefer, 2008). By providing a necessary product or service at a reasonable price, a business is benefiting society. In financial language, shareholder theory advocates that a firm should maximise the present value of all future cash flows (Danielson, 2008). It is unnecessary and unwise to spend shareholder money for unprofitable social causes.

On the extreme end of shareholder theory are some scholars who believe that CSR should be abandoned altogether. Although they concede that CSR has increased global awareness of business ethics, but the concept is no longer practical.

The shareholders have made an investment and are dependent on the firm to provide them with returns. The business of business is to make money. By serving the needs of shareholders, businesses generate wealth that benefits society. If CSR initiatives increase the bottom line, then shareholder theory advocates recommend implementing such initiatives. However, using shareholder money in an unprofitable manner is wrong. No matter how noble the cause, it is inappropriate to be generous with another's money, (Drucker, 2004)

The main objective of the organisations is to maximise profits; therefore, to be sustainable, organisations must be able to both secure the right to operate and make a profit (Guthrie, 2006). Conversely, Carroll (1991) has suggested that an organisation's responsibility is to act in a socially responsible way, doing this not only to be profitable but also to obey the law, be ethical, and be a good corporate citizen (Carroll, 1991). It is generally acknowledged that CSR is more often implemented and studied in developed countries such as the USA, Canada, Australia and the UK. For this reason, the theory and practice of CSR in developing countries such as Asia, Africa and Latin America still needs to be discussed and debate at length.

Businesses need to balance economic, legal, and social responsibilities in order to achieve long-run success. More generally, there is often a relationship between good social and good financial performance. Further, firms that are seen as acting illegitimately are likely to face difficult relations with employees, governments, communities, and consumers which all have direct impacts on the top and bottom lines.

2.5 Importance of Corporate Social Responsibility

Despite criticisms, Corporate Social Responsibility (CSR) has recently been receiving a lot of attention by many companies looking to improve their businesses. There have been countless studies conducted to determine the costs and benefits of CSR, including Lin, Yang, and Liou's 2009 study of businesses in Taiwan and research conducted by Porter and Kramer (2006). Most Companies that have effectively incorporated corporate social responsibility into their firms have been able to reap many benefits. Research has shown that CSR can have a positive effect on financial performance, competitive advantage, employee satisfaction and retention, and overall reputation (Carroll & Shabana, 2010). CSR provides a medium for people to express their values (that reflect broader societal concern about the effects of big business) and remain employed in the firm with minimum emotional dissonance CSR is a strategy to avoid addressing the fundamental problems of the capitalist system that have led to social, economic and environmental crises. (Fleming & Jones, 2013). Other benefits of CSR can include various positive long-term effects as well as the creation of intangible assets. By aligning business objectives with CSR, companies can expect many benefits, both monetary and non-monetary (White, 2006).

2.6 Global impacts of Mining on Corporate Social Responsibility

Globally, Mining tend to be dominance of market economy, with three important elements which are, the creation of global capital, goods and service markets, the creation of global communications and information space; and, the emergence of global values.

The relevance of CSR within the mining industry takes on special significance, particularly since CSR is considered within the economic contribution that becomes its most noticeable social impact (Visser, 2009). Despite this economic contribution, however, some organized social groups and particularly stakeholders discourage mining because of its attendant negative impacts (Kepelus, 2010) and because the concept of CSR within the mining industry is ambiguous. This is especially critical in developing economies that are rich with natural resources, (Hilson, 2012).

Capron and Quairel (2009) highlights the fundamental differences between the American and European conceptions of CSR, based on differences in cultural values, unique intellectual influences and the specific structure of the company. In particular, according to the authors, the American conception of the company is contract-based while the European design is institution-oriented.

Indeed, the American concept of CSR is based on ethical and religious considerations (Aggeri., 2005). In this sense, CSR is summarized by many American companies as foreign philanthropic actions meant to tarnish their business activities (Capron, 2007).

On the other hand, and in terms of research on CSR, empirical tests of Carroll's model (1979) point to differences between countries. Indeed, the study of Maignan and Ferrell (2003), whose objective is to identify consumers' representations of CSR, confirms the superiority of the legal dimension followed by the ethical dimension in the French and German contexts. The primacy of economic responsibilities was highlighted by Pinkston and Carroll (1996) in several European countries like England, France, Germany, Switzerland and Sweden, but also in Japan and the USA. These conclusions consolidate those obtained previously by Aupperle et al. (1985) and Aupperle (1982).

Issues such as poverty, inability to service and repay international debt, illiteracy, HIV/AIDS, the absence of clean running water and electricity, fraud, bribery and corruption are typical of the underdeveloped world whilst other issues such as global warming, terrorism, money laundering, corporate and individual philanthropy, CO2 emissions reduction might be issues that affect all nations but are publicised by the more industrialized ones (Idowu and Leal Filho, 2009).

For the mining industry, the increase in shared environmental values throughout the world has been the most important change to date, although the recent emergence of shared socio-cultural values is likely to have an even more profound impact, (Walser, 2016)

The recent developments, such as the Asian financial crisis, and the down-turn in metal prices, in combination with the continued globalisation, especially with respect to access to mineral deposits on a global scale, has resulted in an unprecedented competitive environment and the need for competitiveness at all level. Most economic research on mining still deals mainly with the macro-economic impact of the industry, looking at the benefits which are lack of to the national economy. And there is no doubt that mining can be an important source of foreign exchange and fiscal receipts for governments, providing an adequate legal and fiscal framework is in place. Mining can be measured in terms of employment and income generation. Commercial scale mining provides employment and skills transfer to more than 2 million workers with, in addition, an employment multiplier effect.

Therefore, despite its negative effects and perception, mining plays a vital role in the economic development of many countries. Historically this has been the case in many parts of the developed

world, and while mineral development is an important factor for economic growth it can also, if done responsibly, be a catalyst for social growth in developing countries like Zambia.

2.7 International promotion of Mining on Corporate Social Responsibility

Major international organizations such as the United Nations (UN), the International Labour Organization (ILO), the World Bank and the Organisation for Economic Co-operation and Development (OECD) promote and monitor CSR initiatives (Benn and Bolton, 2011). Reporting guidelines and standards have been commonly adopted (Ventura, 2010, Perez and Sanchez, 2009), for example the Global Reporting Initiative's (GRI) reporting framework for sustainability reporting, the Social Accountability International's (SAI) SA 8000 for human rights and labor practice, and The International Organization for Standardization's (ISO) ISO 14001 for environmental management systems (EMS). Since 2010 the extensive standard ISO 26000 is available for industry as a guide for developing proactive CSR activities within several subjects and issues. So far, ISO 26000 is a new and rather under-researched standard.

There are a number of international initiatives and associations that promote best practices and corporate social responsibility in the mining sector, the following ones being the most recognised worldwide:

- The United Nations Global Compact initiative, in which companies self-evaluate and report their performance regarding 10 principles. A list of some Zambian companies can be found in the Global Compact website.
- The European Commission's Renewed EU strategy 2011-14 for Corporate Social Responsibility and Sustainable Consumption and Production and Sustainable Industrial Policy
- The International Council on Mining and Metals (ICMM), which is organized by the largest mining companies in the world and has a variety of programs to enhance sustainable mining. ICMM makes its members accountable for the fulfillment of the 10 principles for sustainable development.

- Mining companies are also pursuing certifications such as ISO 14000 (environmental certification), SA 8000 (working conditions certification), and AA 1000 (accountability certification). They are also making efforts to be listed in the Dow Jones Sustainability Indexes.

Researchers in developing countries are now beginning to examine the concept of CSR in more depth. Of particular interest is whether, and to what extent (Dober, 2009), prevailing western notions of CSR can be implemented in developing countries (Jamali, 2007), and whether CSR has positive business benefits (Dutta and Durgamohan, 2008).

Although various stakeholders have pushed companies to implement CSR in developing countries, it seems many firms do not have sufficient knowledge to actualise it (Fernando, 2007).

Moreover, there are no accepted rules in developing countries to enforce stakeholder demands (Visser 2008). Others suggest that managers' lack of understanding about the benefits of CSR inhibits its implementation (Agarwal, 2008). Consequently, stakeholders and organisations have poor information about the applicability of many aspects of CSR in developing countries like Zambia. Furthermore, this information comes from global institutions such as UN Global Compact, and Global Reporting Initiative (GRI), which have supported the development of many CSR plans. For example, UN Global compact has introduced ten principles, which are used in both developed and developing countries as a foundation for applying CSR in their organisations. Below are these ten principles.

Table 2-3: The 10 Principles of UN Global Compact

Substantive Area	Principle
Human Rights	1. Business should support and respect the protection of internationally proclaimed human rights; and 2. Make sure that they are not complicit in human rights abuses.
Labour Standards	3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; 4. The elimination of all forms of forced and compulsory labour; 5. The effective abolition of child labour; and 6. The elimination of discrimination in respect of employment and occupation.
Environment	7. Businesses should support a precautionary approach to environmental challenges; 8. Undertake initiatives to promote greater environmental responsibility; and 9. Encourage the development and diffusion of environmentally friendly technologies.
Anti-corruption	10. Businesses should work against corruption in all its forms, including extortion and bribery.

Source: UN global Compact(2010)

2.8 Regional impacts of Mining on Corporate Social Responsibility

Mining in Southern Africa and Zambia suggest that there are still important gaps between mining companies' activities, on the one hand, and expectations of their CSR activities.

The Corporate Social Responsibility (CSR) programmes of mining companies in the Africa particularly in southern region tend to focus on community initiatives as their impact in economic, social and environmental terms is felt greatest at the local level. While multinational mining companies have 'remodeled' their activities as good corporate citizens there is little evidence as to how this recognition of the need to address sustainability issues has affected communities, and whether community development initiatives have been effective in contributing to more sustainable communities. There is some risk that in undertaking CSR a dependency on the company will develop. Whether intentional or unintentional this can have serious consequences for the dependent community, particularly after the mine closes.

In Africa for mining companies, CSR is the manifestation of a move towards greater sustainability in the industry. It is the practical implementation of the goals of sustainability. CSR is a means by which companies can frame their attitudes and strategies towards, and relationships with, stakeholders, be they investors, employees. This is salient here, communities, within a popular and acceptable concept. In the mining industry, progress within the three dimensions of sustainable development (economic, environmental and social) could be achieved through, economic development, investment of generated revenues to ensure the future development and long-term livelihood of the communities. The region is involved in the environmental protection which are minimising the environmental impact of natural resource exploitation and land rehabilitated to allow successive use, and social cohesion reducing the social and cultural disruption to communities, maintenance of stakeholder dialogue and transparency of operation (Epps, 2011)

2.9 Corporate Social Performance

Corporate Social Performance (CSP) is a 'business organisation's configuration of principles of social responsibility, processes of social responsiveness, and policies, programs, and observable outcomes as they relate to the firm's societal relationships'. This definition assumes that CSP is

broader than corporate social responsibility (CSR), which consists of three norms at different levels of analysis: institutional, organizational, and individual (Wood, 2009). In addition, CSP includes organisational processes of environmental assessment, stakeholder management, and issues management, but also, and perhaps most important, various measures of fit, external manifestations and societal effects, such as social impacts.

The corporate social performance (CSP) includes a search for social legitimacy, with processes for giving appropriate responses. CSP puts forward the view that business, apart from wealth creation, also has responsibilities for social problems created by business or by other causes, beyond its economic and legal responsibilities. This includes ethical requirements and discretionary or philanthropic actions carried out by business in favor of society (Mele, 2009).

The notion of (CSP) theory had evolved from previous theoretical approaches. CSP reconciled the importance of both corporate social responsibility and corporate social responsiveness. It also placed an emphasis on achieving better performance out of the socially responsible initiatives (Carroll, 1979). This notion had moved the CSR agenda closer to the idea of the business case. Apparently, the arguments in favour of the business case for CSR were more relevant at multiple levels. Freeman and Liedtka (1991:96) pointed out that the businesses' self-interest (self-creation) and the community creation were two sides of the same coin. They went on to suggest that they were seeing scope in pursuing both ends of individual and collective goods (Freeman and Liedtka, 1991).

The CSP theory maintained that businesses were responsible for the social problems they caused. These responsibilities would extend beyond their typical objectives of wealth creation as well as their expected observance to comply with relevant regulation and law. CSP also comprised the ethical, discretionary or philanthropic actions which businesses should undertake for societal wellbeing. Wood (1991) posited that businesses could improve their corporate social performance when they engaged in responsible behavior that will result in beneficial outcomes for society.

The basis of what we consider to be the modern definition of CSR is rooted in Archie Carroll's "Pyramid of Corporate Social Responsibility." In this Pyramid a corporation has four types of responsibilities. The first and most obvious is the economic responsibility to be profitable. The second is the legal responsibility to obey the laws set forth by society. The third, which is closely linked to the second, is the ethical responsibility. That is to do what is right even when business is not compelled to do so by law. The fourth is the philanthropic responsibility. Also called

the discretionary responsibility, it is best described by the resources contributed by corporations toward social, educational, recreational and/or cultural purposes.

Carroll (1979), who was the first to introduce the concept of CSP, made a synthesis of the basic principle of social responsibility, the concrete issues for which social responsibility exists, and the specific philosophy of response to social issues. Carroll suggested that an entire range of obligations that business has to society must embody the economic, legal, ethical, and philanthropic categories. He included them in a "Pyramid of corporate social responsibility" (Carroll, 1991).

Figure 2-2: Presents a graphical depiction of Carroll's Pyramid of CSR



Source: Carroll(1991)

2.10 Types of Corporate social responsibilities

According to corostrandberg.com, there are four types of CSR classified according to its beneficiaries:

Environment-Focused Corporate Social Responsibility (CSR)

This type of CSR focuses on reducing detrimental effects of the corporation's operations on the environment. The corporation innovates in its manufacturing stage to reduce the production of environment harming by-products. It also promotes the use of non-renewable energy sources to prevent harm caused to the environment by burning of fossil fuels.

Community-Based Corporate Social Responsibility (CSR)

The corporation joins hands with other organizations (usually Non-Profit ones) to ensure the welfare of a local community's people. These organizations either fund or receive funding from corporations to perform tasks that can improve the living conditions of the community's people.

Human Resource (HR)-Based Corporate Social Responsibility (CSR)

Corporations focus on the well-being of their own staff and improve their living conditions. The companies may extend compassionate leaves like paternity leaves so that the employee can look after his newborn. They can also provide medical insurance to their employees to take care of accidents caused due to occupational hazards.

Charity Based Corporate Social Responsibility (CSR)

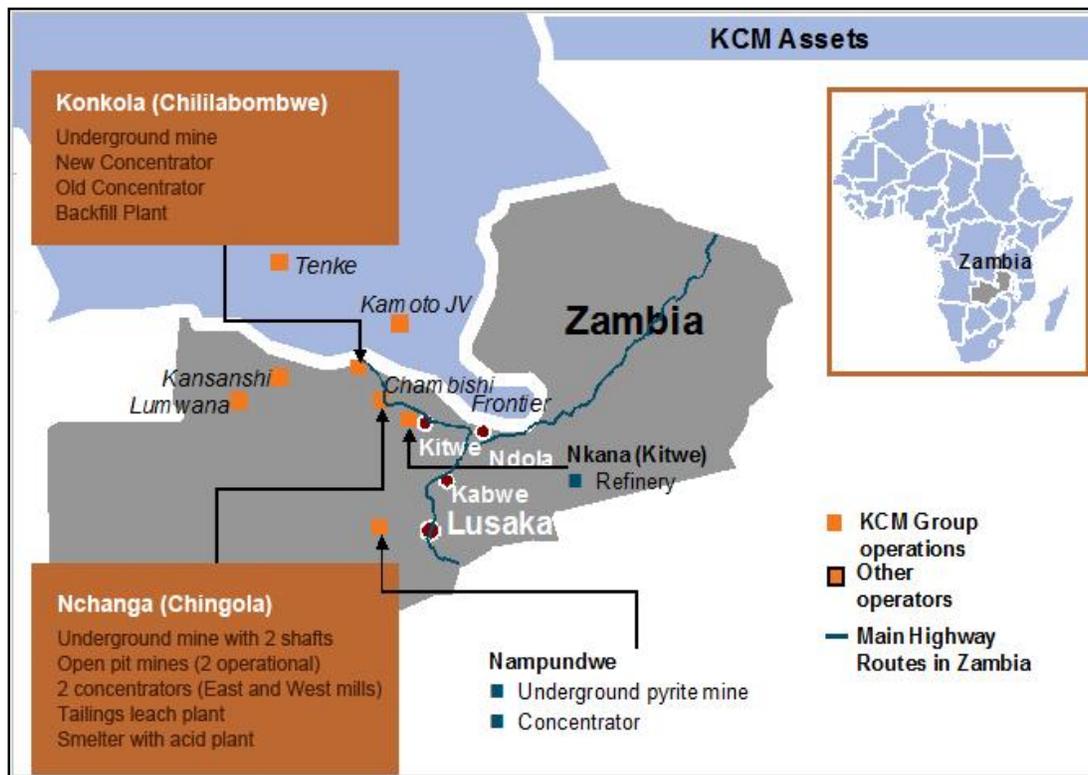
In a charity-based CSR, corporations donate to organizations or individuals (usually through a charity partner) to improve their financial condition and for their general upliftment. This is the most common form of a CSR activity. Most corporations provide direct financial support to organizations or individuals who require such assistance.

2.11 Konkola Copper Mines Activities

KCM operates four main mines. These are Nchanga open pit, Nchanga underground, the Konkola underground operations (all in the Copperbelt) and the Nampundwe pyrite underground mine and concentrator (in Central Province). The company operates a smelter at Nchanga and a refinery at Nkana. KCM employed 8,371 people directly in 2012, and some 15,138 contractors which are reflecting several ongoing investment projects. Today KCM is one of Zambia's largest private sector employers, with nearly 12,000 workers, of which 11 percent are women. KCM strongly believes that employee growth and development is a critical component for future success. (Chamber of Mines, 2014).

Vedanta Resources took over Konkola Copper Mines (KCM) in November 2004, after Anglo American pulled out in 2002.

Figure 2-3: Showing location of KCM Operations in Zambia



Source: KCM company profile(2017)

KCM is involved in Konkola Deep Mining Project (KDMP) which is the continuation of mining below the current depth at Konkola mine and simultaneously expanding the production of copper

ore from 2 to 6 Mt/y. It was meant to access 250 Mt of ore grading 4% Cu and to extend the mine life to 2035. Its cost of \$400 million makes KDMP the largest single investment in Zambian mining ever.

The operations at Konkola Copper Mines (KCM) were acquired by Anglo American through privatization in 2000 but were sold back to the state in 2002. Vedanta Resources, a London listed diversified metals and mining company with the bulk of its operations in India, bought the operations in 2004. Vedanta currently holds 79.4 per cent of the ordinary shares of KCM, with the remaining 20.6 per cent held by Zambia Consolidated Copper Mines ó Investment Holdings (ZCCM-IH). From 2005 to 2012, KCM invested about US\$2.6 billion, including a new smelter and a sulphuric acid plant, as well as developing the Konkola Deep Mining Project, which were purposed to mine down to 1,500 meters depth and extend the life of the mine by 30 years. These projects were strategically purposed to improve Zambia's revenue through taxes, create more employment and improve on Corporate Social Responsibility (CSR).

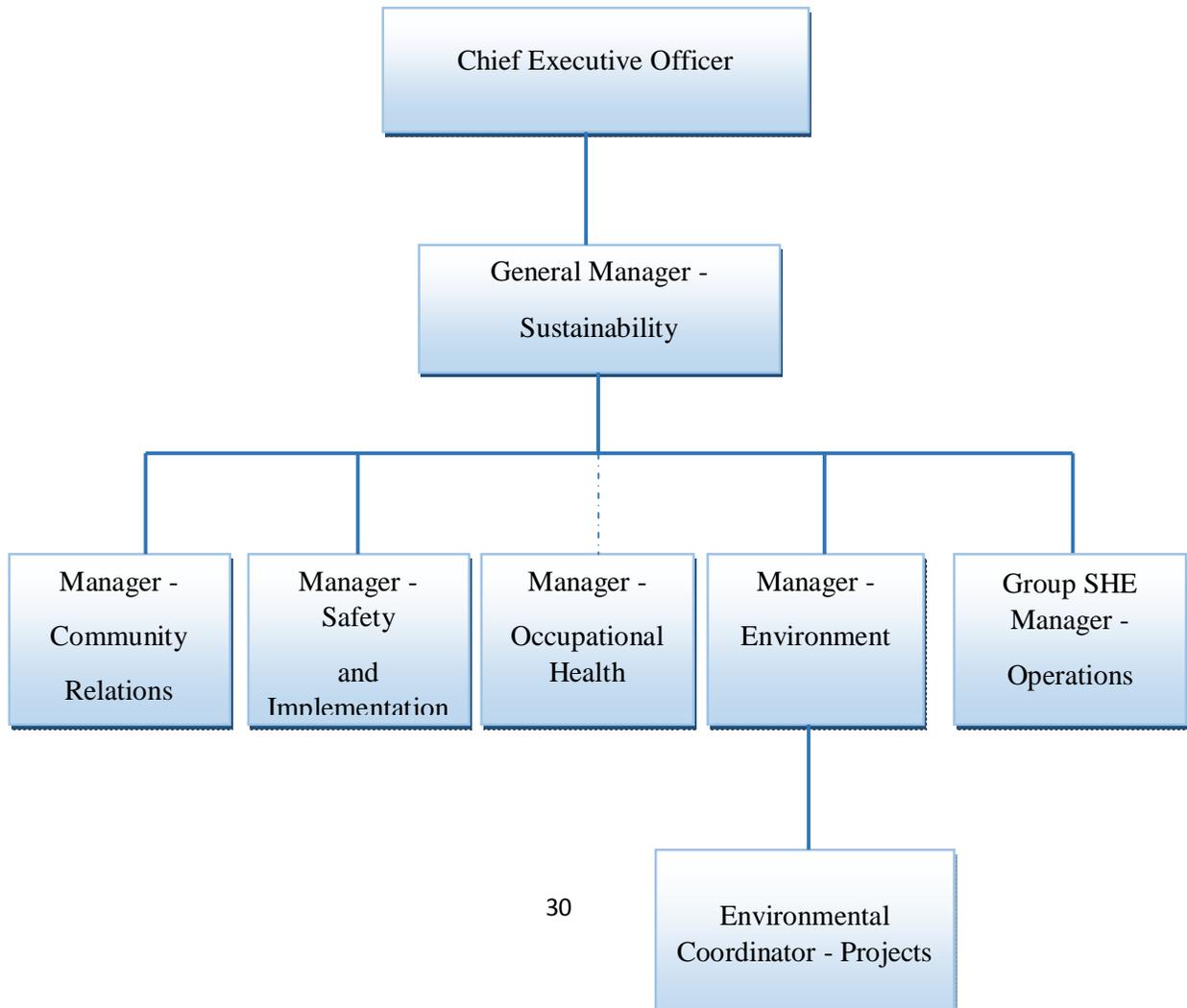
The standards of living in Chingola seem to have been affected by the performance of mining activities at KCM. The effects of these mining activities such as Upper ore body project and the slow implementation of KDMP had resulted in over 4000 people losing their jobs in Chingola. A lot of buyers and suppliers to the mines have been terminated. Government revenue has declined and there is downward trend in social amenities.

2.12 KCM and its Corporate Social Responsibility

Konkola Copper Mines (KCM) site, states that they strive to ensure that the effects of their activities goes beyond simply paying taxes, but benefits the communities where they operate.

KCM's Corporate Social Responsibility (CSR) programmes have a rich history. KCM specifically took on significant social responsibilities from the period they took over the mines, including the development of hospitals, schools and other social programmes. After the acquisition of KCM, the CSR programmes have been expanded to ensure effective and maximum outreach. Since 2005, KCM has spent over US\$150 million on corporate social investment (CSI) programmes.

Figure 2-4:KCM Corporate Sustainability Organisation: Management



Source: KCM company profile(2015)

2.13 KCM's Corporate Social Responsibility Approach

KCM has a Corporate Social Responsibility Department whose mandate is to carry out CSR activities of the company. When conducting CSR activities of the community, the department do the following steps.

(a) Needs Assessment

A community needs assessment is a systematic process for identifying salient socio-political community issues, such as poverty, crime, health, education or unemployment. KCM needs assessment may identify issues in a community with gaps between what is and what should be. Community needs assessments are effective when used to inform initiatives and programs meant to improve a community's societal well-being. Needs assessments may reveal concrete needs such as an improved system of public transportation, or a need that is more abstract and conceptual, such as a the need for a community to be more informed about issues of environmental health and sustainable living (KCM profile , 2015)

(b) Cost Estimation

After needs assessment is done, KCM then estimate the costs involved so as to know how much it can afford to spend. Corporate social responsibility involves financial considerations on a number of levels. For example, KCM determined whether to provide materials for a program, allowed employees to participate in volunteer efforts during work hours or donated money to a cause. While the focus of corporate social responsibility is to benefit others, KCM considers its own costs to ensure the program is fiscally feasible. The costs involved were estimated and the funds required sourced (KCM profile , 2015)

(d) CSR implementation

The CSR activities are then input into the CSR implementation process. This process is integrated in every part of the organization and in the daily activities in order to be successful. For CSR implementation it does not exist a one-size-fits-all method, every project has its exclusive

attributes and circumstances that affects the company. Therefore CSR implementation is done in a systematic way, in agreement with the firms core values, business culture, environment and main business activities (KCM profile , 2015)

(d) CSR Project Evaluation

In order to improve the CSR implementation process an evaluation must be performed. The evaluation will then be used if new approaches of CSR are decided to be undertaken and implemented, and also to identify in which areas improvements are necessary and how the changes should be executed. CSR project is evaluated to see if it's in line with the strategic plan and to check if there is a need to do the amendments or to start the process all over again (KCM profile , 2015)

To implement successful CSR policies as a company, it is important to recognize and work together with Civil Society organizations and (local) Government (Hamann, 2003). Collaboration between Civil Society organizations and business is promoted by institutions like the World Bank (WB), the United Nations Development Programme (UNDP), the ILO and other global institutions that deal with development. In the last decade, Civil Society has been pressured to address growing social demands, since the legitimacy of Government to provide basic services that has decreased in many developing countries. Increased levels of Civil Society involvement in business could bring sustainable development benefits and (partly) replace certain Government responsibilities that lack due to capacity constraints. The CSR activities will therefore be part of the 7NDP which in turn are linked to SDGs and the 2030 vision. The diagram below shows a link between CSR and the SDGs through the 7NDP.

Grafstrom (2009) showed that the interest for research within CSR has increased over time and they have categorized the research into, social responsibility in relation to economical responsibility, social responsibility in relation to marketing and market communication, and social responsibility in relation to management issues. Important to note is that scholars are demanding research efforts on the practical rather than the policy level of CSR (Dobers, 2009), viewed from inside operations, rather than from an external standpoint (Kemp, 2010). There is a considerable gap in the literature very few studies have controlled for firm heterogeneity or considered dynamic effects in the financial and social and environmental performance relationship (Elsayed and Paton, 2015).

In this thesis therefore, the primary focus is on CSR in relation to its effects on the community, which focuses on how the responsibility can be integrated in business activity even if CSR practice also can be found in the other categories.

The research therefore attempts to address the gap between stated intentions and actual implementation Corporate Social Responsibility (CSR) activities in mining industry. While there is significant research about corporate social responsibility (CSR), there is a lack of understanding in the area of Mining and its CSR performance within the mining industry, particularly in a developing country like Zambia. Most of the mining activities have the ability to meet their strategic expectations of the mining industry but few of these projects are able to meet the expectations of the community and the country at large.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This section provides an overview of the method used for the study and how data were collected and analysed. The research is descriptive in nature and employs the survey method in assessing the views and concerns of employees and local communities about CSR activities at KCM. To ensure the collection of the right data for the research work, certain procedures and methods were adopted. This chapter looks at the methods, the target population, the choice of case study area, the sample and sampling procedure, the research instrument, the data collection procedure and the method used in analyzing or estimating the data.

3.1 Research design

A research design is the "glue" that holds all the elements in a research project together. A design is used to structure the research, to show how all the major parts of the research project work together to try to address the central research questions. Orodho (2013) defines it as the scheme, outline or plan that is used to generate answers to research problems. Research design is the blueprint for conducting the study that maximises control over factors that could interfere with the

validity of the findings. Designing a study helped the researcher to plan and implemented the study in a way that helped the researcher to obtain intended results, thus increasing the chances of obtaining information that was associated with the real situation (Burns & Grove, 2013).

This study conducted was the descriptive design. The major purpose of descriptive research is description of the state of affairs as it exists. Kerlinger (2009) pointed out that descriptive studies are not only restricted to fact findings, but may also result in the formulation of important principles of knowledge and solution to significant problems. They involved measurement, classification, analysis, comparison and interpretation of data.

Descriptive survey is a method of collecting information by interviewing or administering a questionnaire to a sample of individuals (Orodho, 2013). It can be used when collecting information about the people's attitude, opinions, habits or any of the variety of education or social issues (Orodho and Kombo, 2012).

According to Blumberg, Cooper & Schindler (2005), a study that is concerned with learning who, what, where, when and how much, is descriptive in nature. The study therefore took the form of qualitative approach. Qualitative data analysis were non-numerical data that had not been quantified while quantitative data analysis refers to all such data that have been quantified by the use of frequency tables, graphs and diagrams to make them more understandable and meaningful. (Adrian, 2009). Data were presented in the form of graphs, histograms, pie charts and frequency tables for easy understanding of analysed data.

The focus was to explore the extent of the application of miningon using small sample surveys on employees and the communities in Chingola.

3.2 Research population

A research population is a group of individuals, objects or items from which samples are taken for analysis. Population refers to all entire of persons or elements that have at least one thing in common such as KCM employees. KCM has a total number of 6568 employees and the Business partners has 5595 workers, giving a total of 14170 populations. And consisted of KCM employees, its stakeholders and the community.

3.3 Sample Size determination.

Sample is a subset of a population selected to participate in the study, it is a fraction of the whole, selected to participate in the research project (Hungler, 2009). The factors considered in the selection of the sample size were the aim of the survey, degree of precision required and the

number of sub-samples required. Also considered were diversity, accessibility and knowledge of the population.

The factors used in the sample size calculation were: 1) the margin of error, 2) the confidence level, and 3) the proportion (or percentage) of the sample that had chosen a given answer to a survey question.

The margin of error (e)

Also referred to as the confidence interval, measures the precision with which an estimate from a single sample approximates the population value. It is expressed as decimal.

The confidence level

It is the estimated probability that a population estimate lies within a given margin of error. It is expressed as a percentage, and is a measure of how certain you are about the results you get. The desired confidence level, which determines the value of Z, the critical value from the standardized normal distribution. Common confidence levels in social science research include 90%, 95%, and 99%.

Standard deviation of population

The standard deviation is the deviations are measured from the mean. At the same time, the standard deviation is preferred to the mean deviation or the quartile deviation or the range because it has desirable mathematical properties.

According to Qualtrics, (2016), the sample size is calculated as

$n = \frac{z^2 N \cdot s^2}{(N-1)e^2 + z^2 s^2}$ Where n = is the sample size

normal z = Confidence level. Critical value from the standardized distribution, value (e.g. 1.96 for 95%, 1.64 for 90%)

s = Standard deviation of population

e = Acceptable sampling error. It is the confidence interval, expressed as decimal.

Using KCM Statistics scenario with a population N = 14170, suppose that the mining activities require me to have 90% confidence level in estimating the population proportion of participants with errors to within 0.05

.Thus, using Equation above e = 0.10, s = 0.5, and Z = 1.645 for 95% confidence.

$$n = \frac{1.645^2 * 14170 * (0.5^2)}{(14170-1) * 0.1^2 + 1.645^2 * 0.5^2} = 67.334 \text{ participants, which is } \mathbf{68 \text{ Sample size.}}$$

A sample is a finite part of the statistical population whose properties are studied to gain information about the whole (Webster, 2015)

Time and money was saved by selecting a sample to be studied rather than attempting to study the entire population of employees who were involved in mining activities. Obtaining data from the population of employees as well as analysing and interpreting vast amounts of data could be impossible to accomplish within the time constraints and with the limited financial resources which were available for conducting this research.

In this survey, a subset of 68 people was selected out of the population of Konkola Copper Mines employees, Business Partners and the Community in Chingola.

3.4 Sampling Procedure

Sampling is the procedure a researcher uses to gather people, places or things to study. It is the process of selecting a number of individuals or objects from a population such that the selected group contains elements representative of the characteristics found in the entire group (Orodho and Kombo, 2002).

The researcher had no access to lists of employees working at the mine companies. This made it impossible to have an adequate sampling frame. The sample for this research is based on snowball or network sampling. This means that personal recommendations were involved in choosing the respondents (Gilbert, 2001). There is a chance that the people introducing you to your respondents have a similar background or belong to the same social group.

De Vos (1998), as well as LoBiondo (1998) describe a convenience sample as the use of readily accessible persons in a study. Any case, which happens to cross the researcher's path, and meets the inclusive criteria set for the study, gets included in a convenience sample. The researcher sought to find it easy to obtain participants, but the risk of bias was greater than in a random sample, because each member of the population does not have an equal chance of being included in the sample.

A general rule of the thumb is to always use the largest sample possible. The larger the sample the more representative it is going to be, smaller samples produce less accurate results because they are likely to be less representative of the population (LoBiondo-Wood & Haber 1998). In this

study a convenience sample of 55 respondents was obtained. These are employees who are involved in the before and after KCM took over the operations in 2004.

3.5 Research instruments

Data collection instruments refer to devices to be used to collect data such as questionnaires, tests, structured interview schedules and checklists (Seaman 1991). Hungler (1997) define a questionnaire as òa method of gathering information from respondents about attitudes, knowledge, beliefs and feelings. An Instrument is the generic term referred to a device that was used for a measurement such as survey, test and questionnaire. The literature reviewed indicated that challenges exist even before and after the implementation the activities at Konkola Copper Mines. The structured interview and questionnaires tools was formulated to capture pertinent issues before and after the projects were implemented.

In this research at Konkola Copper Mines, questionnaires were used in the data collection of primary data.

3.6 Data collection procedures

Hungler (2009) defined data as information obtained in a course of a study. Data was collected mainly through the use of questionnaires and interview. A combination of these methods according to Tows (2011) was very useful as they complement each other's strengths and weakness. The questionnaire had two key sections. Part one covered the general demographic such as economic expectations and the actuals while part two covered the mining issues.

Questionnaires was be used since the respondents answered the same type of questions. The use of questionnaires is useful as they permit anonymity and produces higher response rate with high confidentiality. The questionnaire schedule was made and distributed by the researcher to the respondents. The researcher made follow up calls to respondents for clarifications where necessary. The respondents were be re-assured of the confidentiality of information given.

3.6 Data analysis procedure

Data analysis is a critical and careful examination of material or data in order to understand its parts, and the relationship between variables and to discover its trends. (Andani, 2013).

Data collected from the use of questionnaires and interviews was analyzed quantitatively. The data was analysed by using Statistical package for Social Solution (SPSS) software, version 22 and Excel.

3.7 Ethical consideration

Ethics is a branch of philosophy that deals with the conduct of people and guides the norms or standards of behaviour of people and relationships with each other (Blumberg, 2015). It refers to an *ethos* or *way of life*, *social norms for conduct that distinguishes between acceptable and unacceptable behavior* (Akaranga, 2013). Many societies have legal rules which dictated behavior, but ethical norms are broader than laws. However, societies apply laws to enforce the moral standards.

In this Thesis, participants were treated with respect, consent was obtained from participants before they participated in the study, they had the right to understand what the researcher was doing and the researcher shared the findings with them for their reactions among others.

Ethical clearance was obtained from the University of Zambia Ethics Committee and is **attached, reference number, 2018, July, 02.**

Research ethics is important in our daily life research endeavors and requires that researchers should protect the dignity of their subjects and publish well the information that is researched (Mantzorou, 2011). There are two dominant philosophical approaches with regard to research ethics: teleology and deontology (Blumberg et al, 2005). The teleological view holds that the ends served by the research justify the means. This implies that the benefits of the research findings could be weighed against the costs of acting unethically. But, this depends on the comparison made about the relative good over the evil produced (Frankena, 2001). While the deontological theories which are the opposite of teleological theories state that the ends served by the research can never justify the use of research which is unethical. They assert that there are considerations which make an action or rule right beside the goodness or badness of its consequences (Frankena, 2001). An action can be morally right even if it does not promote the greatest balance of good over evil. Hence, one cannot use deception to ensure validity and reliability of data.

Konkola Copper Mines employees face ethical dilemmas in their daily duties, so do researchers, when humans are used as study participants in a research investigation, care must be exercised that the rights of those individuals are protected (Hungler, 1999).

3.8 Validity and Reliability

Patton (2001) states that validity and reliability are two factors which any qualitative researcher should be concerned about while designing a study, analysing results and judging the quality of

the study. This corresponds to the question that "How can an inquirer persuade his or her audiences that the research findings of an inquiry are worth paying attention to?" (Lincoln & Guba, 1985). To answer to the question, Healy and Perry (2000) assert that the quality of a study in each paradigm should be judged by its own paradigm's terms. For example, while the terms Reliability and Validity are essential criterion for quality in quantitative paradigms, in qualitative paradigms the terms Credibility, Neutrality or Conformability, Consistency or Dependability and Applicability or Transferability are to be the essential criteria for quality (Lincoln & Guba, 1985).

Lincoln and Guba (1985) argue that sustaining the trustworthiness of a research report depends on the issues, quantitatively, discussed as validity and reliability. The idea of discovering truth through measures of reliability and validity is replaced by the idea of trustworthiness (Mishler, 2000), which is "defensible" (Johnson, 1997) and establishing confidence in the findings (Guba, 1985). If the issues of reliability, validity, trustworthiness, quality and rigor are meant differentiating a 'good' from 'bad' research then testing and increasing the reliability and validity how important to the research in any paradigm.

3.8.1 Reliability

Reliability is the confidence that a given finding can be reproduced. When the study is repeated under the same circumstances, with the same population, using the same methods, if it yields the same results, then the study is reliable. Reliability is the consistency of results when the experiment is replicated under the same conditions. To ensure reliability in qualitative research, examination of trustworthiness is crucial.

Reliability addresses the overall consistency of a research study's measure. If a research instrument, for example a questionnaire, produces similar results under consistently applied conditions, it lessens the chance that the obtained scores are due to randomly occurring factors, like seasonality or current events, and measurement error (Marczyk et al., 2005). Measurement error can be reduced by standardising the administration of the study. This means that, ensuring that all measurements be taken in the same manner among all the study participants thus making certain the participants understand the purpose of the study and the instructions; and thoroughly data collectors in the measurement strategy ((Marczyk et al., 2005). This was be applied in the study.

Reliability Test

Seale (1999), states that while establishing good quality studies through reliability in qualitative research, the "trustworthiness of a research report lies at the heart of issues conventionally discussed as reliability". When judging (testing) qualitative work, (Strauss and Corbin, 1990) suggest that the "usual canons of 'good science' require redefinition in order to fit the realities of qualitative research"

Table 3.1: Reliability Statistics

	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
Rationale for CSR at KCM	.848	.853	8
Mining and living standards.	0.631	0.596	7
Environment-Focused	0.811	0.804	15
Average Cronbach	0.763	0.751	30

Field Data(2018)

Cronbach's coefficient alpha reliability values were calculated for all the Likert scale variables involved in this study to assess the degree to which the items that make up the scales are all measuring the same underlying attribute. Reliability values of between 0 and 1 had to be obtained, and those that are high are beneficial to an assessment with 0.7 and above being the minimum (Scherman, 2008).

Table 3.1 provides an indication of the average correlation among all the items that make up the scales for corporate social responsibility. It was shown that the Likert scale item for corporate social responsibility obtained a decent Cronbach's reliability Cronbach alpha of 0.763 indicating that the results had reliable internal consistency

3.8.2 Validity

Validity is the confidence that a given finding shows what it purports to show. It is close to reality. As a measure of a research instrument or tool, validity is the degree to which it actually measures what it is supposed to measure (Wan, 2002). Validity is described as the degree to which a research study measures what it intends to measure.

Validity is further identified as either internal or external. Internal validity refers to the ability of the research design to rule out alternative explanations of the results (Festinger, 2005). High degrees of internal validity are associated with experimental design, where the effect of an independent variable on a dependent variable is studied under strictly controlled conditions.

External validity concerns generalisability of the research findings. In other words, if the study is repeated in a different place or with different people, would the results be the same? In this study a sample was obtained which was a representative of the population being studied in Chingola.

A measurement cannot be valid unless it is reliable. It must be both valid and reliable if it is to be depended upon as an accurate representation of a concept or attribute (Wan, 2002). This study design hopes to meet standards for validity and reliability and to produce results that are both accurate (validity) and consistent (reliability).

3.9 Oath of employees:

Certain employees are under oath to release the information to another person within or outside the organization. In such situations participants refrained from taking part in intellectual and academic surveys. Some employees were under fear to release certain information. Others were too busy to be involved in surveys. Because of this, the subject being studied was viewed as too sensitive and there was a possibility that access to certain organizational information was denied.

CHAPTER FOUR

PRESENTATION OF FINDINGS

4.0 Introduction

This chapter looks at research findings and analysis of the data collected through the observations, questionnaires as well as secondary data from KCM.

The results of the study are provided in relation to the research questions.

The Objectives that were achieved in this study were:

- (a) To access the corporate social responsibilities of Konkola Copper Mines to the community.
- (b) To examine how mining has assisted the improvement in the livelihood of people in the community.
- (c) To identify the effects of KCM mining activities on the community.

Note that out of the sixty-eight (68) questionnaires given to participants forty-six (46) copies were returned and this represents 69% return response. Oduma, (2014) proposed that the response rate of 50 percent and above is rated as fair and is acceptable while the response rate of 60 percent is rated as good and the response rate of 70 percent and above is rated as excellent.

Table 4.1 below shows the response rate from the respondents

Table 4-1: Response rate on the questionnaires

Details	Frequency	Percentage
Responses	46	69%
Non responses	22	31%
Total	68	100%

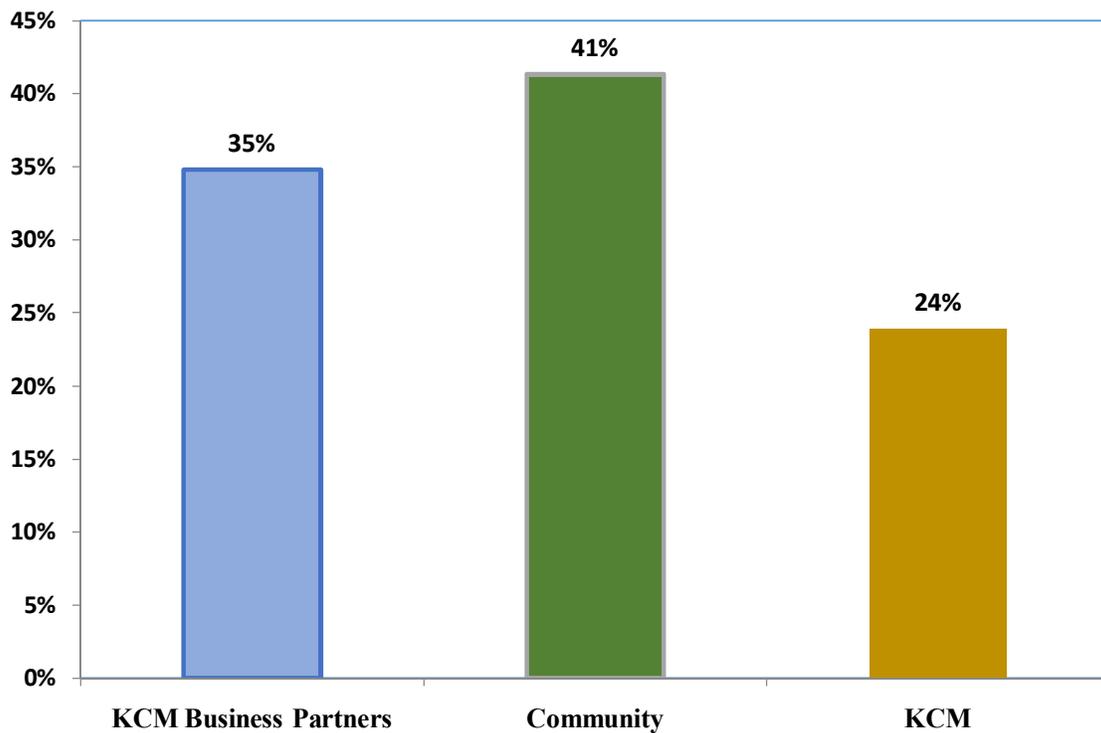
Source: Field Data(2018)

From the above responses, it can be deduced that the response rate was fairly good and some conclusions could be drawn as to the effects of mining on CSR activities.

4.1 Response on questionnaires on 3 Groups.

Responses from questionnaires were summarised in three groups. 19 were from the community representing 41%, while 16 were from KCM business partners representing 35%, while 11 were KCM employees representing 24%.

Graph 4-1: Response on questionnaires on 3 Groups.



Source: Field Data(2018)

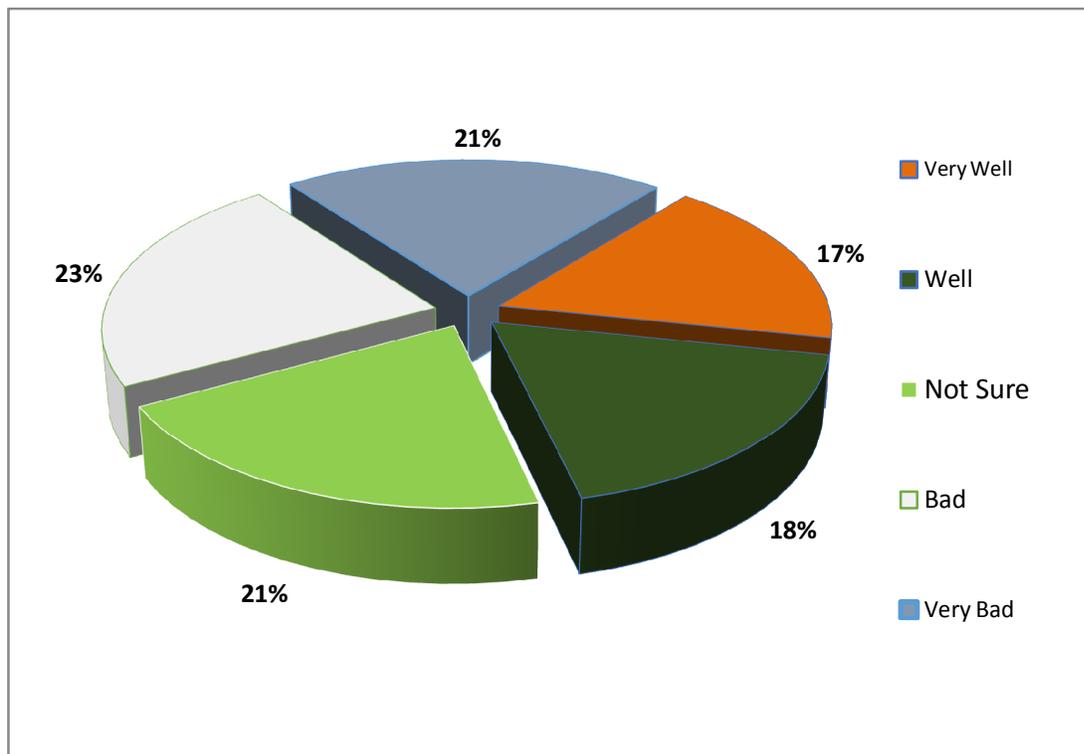
4.2. Analysis of Major Findings

4.2.1 Corporate Social Responsibilities of Konkola Copper Mines (KCM)

The first research objective of this current study was to identify the corporate social responsibilities of Konkola Copper Mines to the community.

Respondents were first asked to indicate how the company has been relating with the society. Responses on this question are presented in Figure 4.1 below also depicts that majority of the respondents (44%) indicated that KCM has not been relating well with the community, whilst only 35% stated that they have been relating well. 21% stated that they were not sure. This finding explains the need for the commitment of the company in carrying out its CSR in order to improve the standard of living of the community. As depicted by Holme and Watts (2000), CSR is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as the local community and society.

Figure 4.1: How KCM been relating with the Community



Source: Field Data (2018)

A more detailed study on the corporate social responsibility of KCM is presented in Table 4.2. Twelve (12) items measuring corporate social responsibility of KCM Mine were captured in this study. All the variables were measured using a 5-point Likert scale (1=strongly disagree to 5=strongly agree). The average mean for all the twelve (12) variables was 2.61.

Table 4.2: Overall Descriptive Statistics of CSR at KCM

No	CSR Activity	No	Mean	Standard Deviation
1	KCM creates more Jobs	46	4.46	0.75
2	Mining Increase of KCM Donations to the Community	46	1.83	0.77
3	Mining Improves the recreation facilities	46	1.7	0.81
4	To improve Std Of living	46	2.3	1.15
5	Mining Increases the small scale activities	46	1.93	1.06
6	Mining improves health facilities	46	4.26	0.68
7	Mining improves Cash for Infrastructure Devt	46	2.15	0.92
8	Improvement of the Living stds	46	3.93	1.14
9	Mining Improves Community participation	46	2.43	1.29
10	Increases the involvement in Recreations	46	2.24	1.06
11	Increases the involvement in Infrastructure Dev	46	2.09	1.17
12	Mining Improves skills training in community	46	1.96	0.84
			2.61	

Source: Field Data (2018)

From the table (Table 4.2), it was noted that the company mostly carried out the creation of job opportunities, (mean 4.46, std dev 0.75). KCM is currently the major employer in the towns of Chingola and Chililabombwe. KCM is also involved in sustainable developments such the skills

development such as Chingola leather projects and the youth skills development programmes. KCM invests in the adjacent communities to its operations through support for sustainable livelihoods. However, the community perceived that the company has not been relating well in the areas of donations to the community, (mean, 1.8, std dev 0.77), recreation facilities, (mean, 1.7 std dev 0.81), Small scale activities, (mean 1.93, std dev 1.06) and skills training, (mean 1.96, std dev 0.84).

KCM is involved in the developments of management trainee, the sponsoring of students at the Copperbelt University (CBU) and at the University of Zambia (UNZA). KCM continues to run the two trust schools it inherited and has extended the two primary schools to full secondary level schools through investment in infrastructure and teachers, providing education to over 2,000 students, KCM journal, (2012)

The other activity the company is involved is the health improvement facilities, (mean 4.26, std dev 0.68). KCM operate eight clinics and two hospitals which it inherited prior to Vedanta's acquisition of the mine. It provides subsidised medical services to more than 63,000 people annually in areas surrounding its operations. KCM employees and their dependents receive free medical services.

According to KCM website, over the years KCM has supported a number of activities such as road infrastructure, reconstructing 7.5 kilometers of road network in Chingola and targeting roads leading to densely populated areas at a cost of \$4.5 million. KCM is the largest sponsor of football in Zambia, and is the only privately owned firm that supports three teams in the leagues of the Football Association of Zambia (FAZ). The teams are Nchanga Rangers, Konkola Blades and Nampundwe FC.

Football is not simply important as a sport in Zambia, but it also provides an alternative source of livelihood for thousands of young footballers and support staff. KCM teams provide employment to 160 young talents. These three KCM teams have provided 10 players to various junior and senior national football teams.

4.2.2 Has mining assisted in improving the livelihood of the community?

The second objective of the study was to determine whether mining has assisted in improving the livelihood of the community in Chingola.

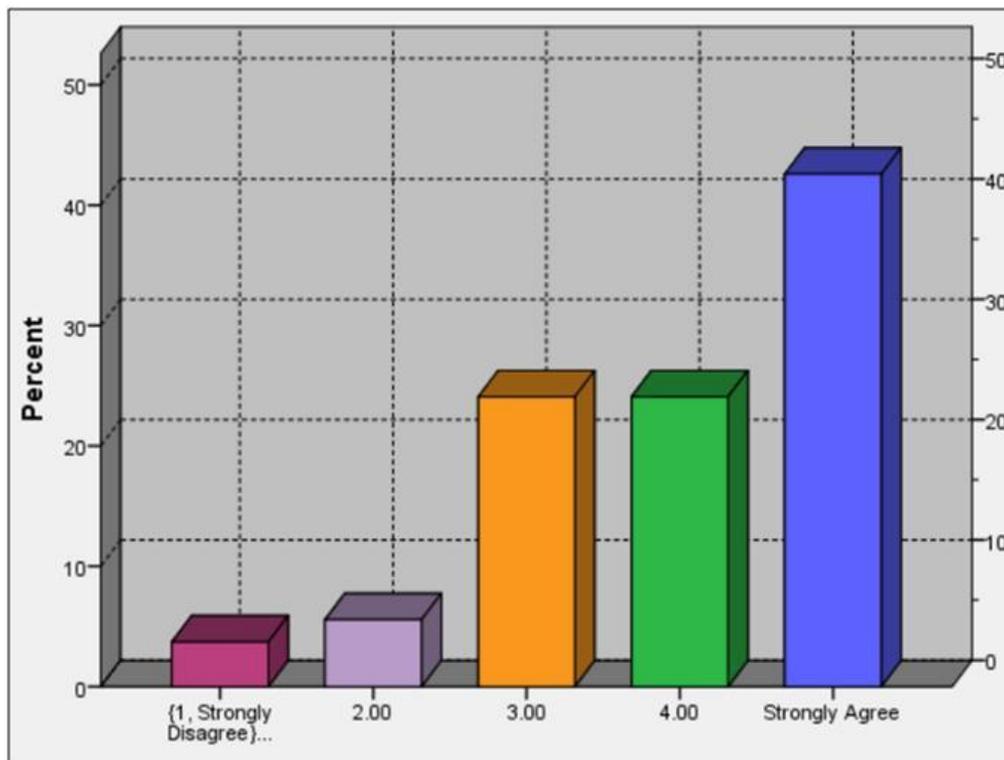
Table 4.3 below shows the perception of the respondents on the state of community development. Responses from questionnaires were whether mining has assisted in improving the livelihood of the community in the areas of health, education, environment and donations. The questionnaire was analysed using SPSS and the results are as below.

Table 4.3: Response on whether mining has assisted in improving the community livelihood.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid {1, Strongly Disagree}...	2	4.3	4.3	4.3
2.00	3	6.5	6.5	10.9
3.00	10	21.7	21.7	32.6
4.00	12	26.1	26.1	58.7
Strongly Agree	19	41.3	41.3	100.0
Total	46	100.0	100.0	

Source: Field Data (2018)

Graph 4-2: Whether mining has assisted in improving the living standard in community around Chingola .



Source: Field Data (2018)

As can be seen above table 4.3 and graph 4.2, 41% strongly agreed that mining can improve the living standards, while 21.7% were not sure while 4.3% strongly disagreed.

Mining activities can improve the living standards of the community through sustainable developments in the areas of economic, environmental and social effects. The mines could achieve this economic development through investment in income generating ventures to ensure future development and long-term livelihood of the communities are maintained.

4.2.3 The effects of KCM mining activities on the community

The third objective of the study was determine the effects of KCM mining activities on the community.

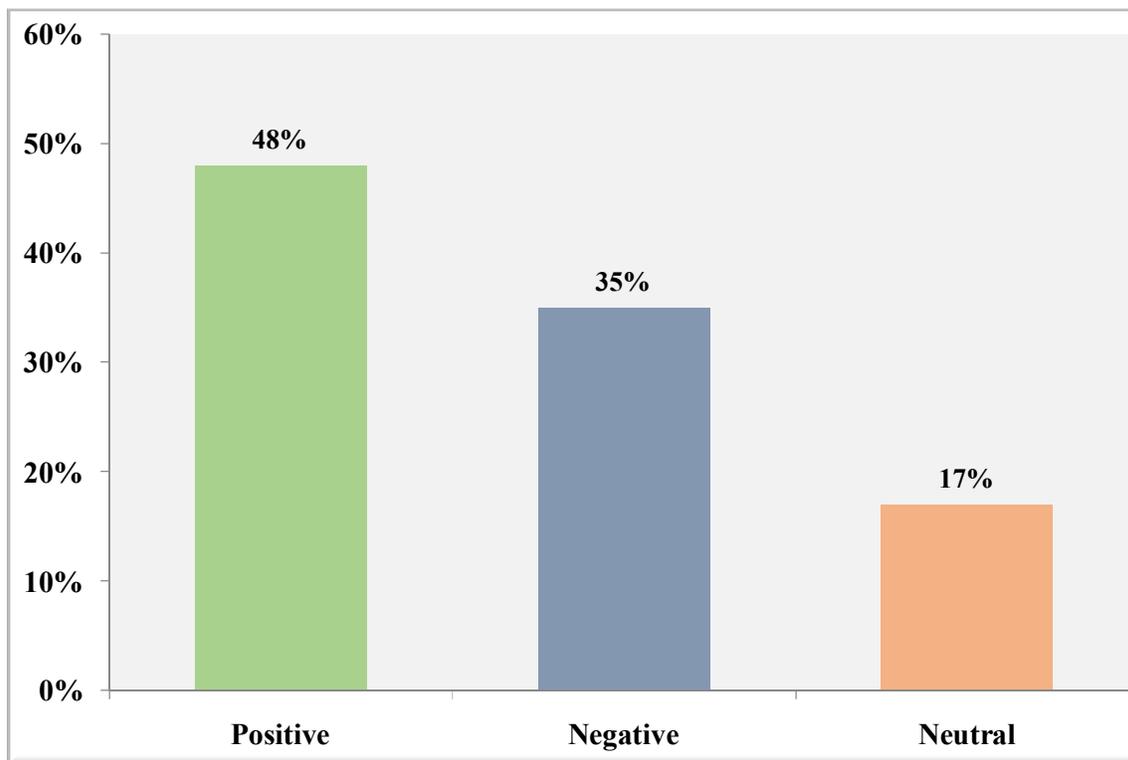
Table 4-4: Effects of Mining on community.

	Positive	Negative	Neutral	Total
Effects of mining activities on the community	48%	35%	17%	100%

Source: Field Data (2018)

Table 4.4 above shows the perception of the respondents on how they perceive the mining activities affects them. Nearly 48% of the respondents indicated that they are affected positively by the mining activities, meaning that mining can assist in the provision of better roads, better health facilities, improved education systems, better recreation facilities and more employment opportunities. All these tend to better influence the company positively in the development of the community. 35% indicated that they are negatively affected by the mining activities meaning that mining has an adverse effect on the community development. They perceive that the losses outweigh the gains of mining activities. 17% felt that they were not affected in any way by the mining activities. The results were also depicted graphically below.

Graph 4.3: Effects of Mining on the community



Source: Field Data (2018)

From the graph above, 48% of the respondents agreed that they were inspired positively by the mining activities. They felt that mining activities contribute positively to the upliftment of their standard of living , 35% agreed that mining only has a negative effects on then. They felt mining

only contribute to low standard of living while 17% felt were not affected in any way by mining activities.

CHAPTER FIVE

DISCUSSION OF FINDINGS

5.0 Introduction

This chapter discusses the findings on the effects of mining activities on corporate social responsibility and its effects as perceived by the stakeholders (community) at KCM. The chapter is divided into two sections. The first section presents the summary of the research in relation to the set objectives of the study. The second part gives the discussion of the findings.

The research purpose in this thesis was to study how the mining activities affect the CSR activities at KCM and its response from the stakeholders. The study explored the understanding of corporate social responsibility in the mining industry in Zambia through an investigation of the views of three groups of sample which are the community, KCM employees and KCM partners.

The purpose has been achieved by a comprehensive literature review that gave an overview of how CSR is defined and perceived by different scholars, the arguments for and against CSR which are shareholders and stakeholders theory, and it also looked at KCM operations and implementation of CSR activities.

5.1 Discussion

5.1.1 KCM Relation with the Community

The data indicated that majority of the respondents (44%) felt that KCM has not been relating well with the community, whilst only 35% stated that they have been relating well while 21% stated

that they were not sure. This was confirmed by the Likert scale that showed that while the company has been performing well in jobs creation opportunities, (mean 4.46, std dev 0.75), it is perceived that the company has not been relating well in the areas of donations to the community, (mean, 1.8, std dev 0.77), recreation facilities, (mean, 1.7 std dev 0.81), Small scale activities, (mean 1.93, std dev 1.06) and skills training, (mean 1.96, std dev 0.84).

They may not have access to CSR information at KCM. Much as KCM spends on average \$15m annually on CSR activities which directly or indirectly affect the community, there is need for the company to be pro-active to the needs of the community rather than being re-active.

5.1.2 KCM on the improvement of living standards

An examination of the second objective indicated that 41% strongly agreed that mining can improve the living standards, while 21.7% were not sure while 4.3% strongly disagreed. Indeed mining activities has the potential to improve the living standards of the community through sustainable developments in the areas of economic, environmental and social effects.

The mines could be achieve this through economic development, investment in generating revenues to ensure the future development and long-term livelihood of the communities. While Zambia has been involved in mining for over fifty (50) years now there is need for diversification to improve the living standards of the community through sustainable developments in the areas of economic, environmental and social effects.

5.2.2 Effects of mining activities

The third objective which was to determine the effects of KCM mining activities on the community indicated that nearly 48% of the respondents indicated that they are affected positively as mining contribute to their well-being, whereas 35% indicated that they are negatively affected and 17% were not affected in any way. This may mean that mining can be an inspirational to their ambitions and the future generations. There is need to sensitise the community to get the best out of our natural resources and invest or diversify in other ventures as well for the future generation.

Branson (2010) stated "Capitalism as we know it, which essentially started around the time of the industrial revolution, has certainly created economic growth in the world and brought many wonderful benefits to people, but all this has come at a cost that is not reflected on the balance sheet".

CHAPTER SIX

CONCLUSION AND RECOMMENDATIONS

Conclusion

Corporate Social Responsibility represents the new millennium challenge and a truly paradigmatic shift for business corporations. There is increasing evidence that the CSR movement has picked up enough momentum to continue unabated into the next century. But while there has been important breakthrough in the theoretical understanding of CSR, empirical studies have generally remained scant.

While there are several reasons why mining companies are involved in CSR activities, these corporate social responsibilities programs provide a mechanism of compensation for the social and environmental costs associated with mining. CSR programs provide the community with a means through which it can be involved in and provide input into the mining activities.

6.1 Recommendations

Based on the findings above, the author has made the following recommendations.

- i. The government must put in place CSR policy which will strengthen and enhance the relationship between the mining firms and the community in which they operate. CSR should be an on-going two-way process of consultation, collaboration and empowerment between the community and the corporation resulting in mutual trust, control of processes and benefits with the government moderating the relationship through policies that create a conducive environment for business and community to live in peace.

- ii. Mining firms must demonstrate that schools, health care, environment are being used effectively and that community initiatives positively contribute to sustainable development. An important aspect of this is the transparency of revenue flows to the government, money and resources spent on CSR initiatives. Government also need to be transparent about how revenues raised from mining companies are used to improve the lives of those directly affected by the impacts of mining. The key to accurate measurements is the collection of comprehensive baseline data (which so very rarely exists in the remote regions where companies operate such as Kanenga) during the social audit process and maintain accurate records throughout the life of the mine. This information must be made publicly available and be externally and independently verified.
- iii. The highly mechanised nature of the mining industry such as KCM means that companies cannot guarantee employment for local communities and in any case they are trimming on labour, so they need to find other means to add value to communities and set in motion a long-term multiplier effect, through their CSR initiatives. Both case study companies recognise the importance of economic diversification of local communities through their focus on alternative livelihood.

Recommendations for further research

Recently, researchers have considered further research for CSR investigation such as the relationship between CSR and company performance, and CSR in developing countries. These research areas have allowed company win-win situations to be identified by accepting that profits and principles reinforce each other (Graafland, 2002). However, a company's long-term targets should have positive social and environmental effects (Daviss, 1999), and responsible interactions (Wheeler and Elkington, 2010).

There is need to do further assessment of the success or failure of community initiatives through CSR. As Lapalme, 2003 pointed out, this is in part due to the difficulties inherent in conceptualizing the application and measurement of the social dimension to sustainable development, as well as a lack of independent measures of what constitutes a successful programme. While an environmental report is often externally audited, the social aspects of sustainability reports are very rarely externally audited, and even when they are these are often conducted by consultants who are paid by the company in other capacities as well, so are not wholly independent.

Further research needs to be carried out how the mining firms such as KCM will proceed with the CSR activities after the secondment of its employees to other business partners.

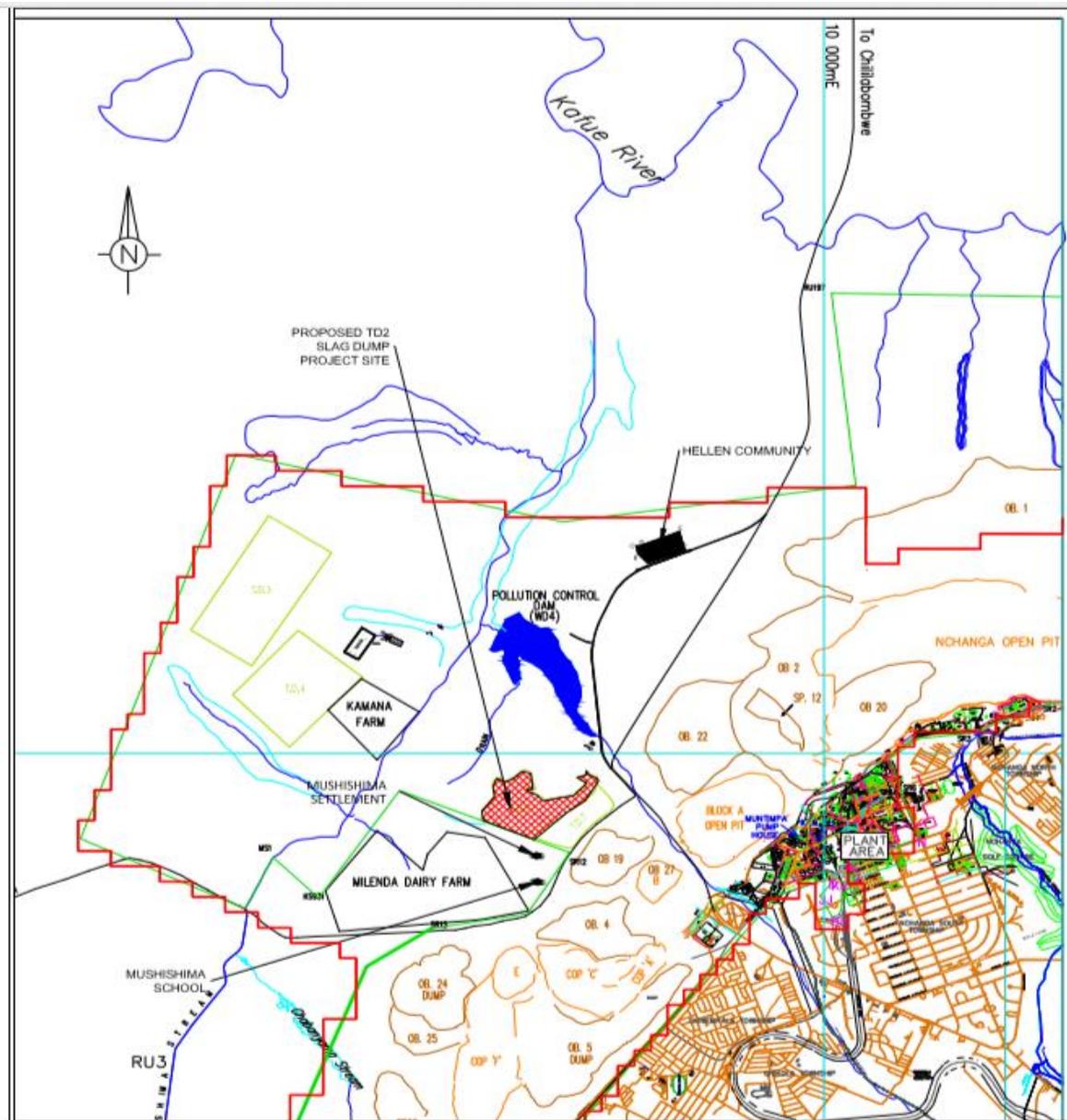
REFERENCES

1. Ashley, C. (2009). Harnessing core business for development impact: evolving ideas and issues for action. ODI Background Note. London: Overseas Development Institute. February.
2. Calvert Foundation (2012), Gateways to Impact: Industry Survey of Financial Advisors on Sustainable and Impact Investing.
3. Gray, C.F. & Larson, E.W. (2009). Project Management-The Managerial process. Irwin McGraw-Hill: USA.
4. Ismail, M. (2009). Corporate social responsibility and its role in community development. International Social Research.
5. Mayondi, (2014). Effects of mining on Corporate Social Responsibility, -A case study of Barrick Gold Mine.
6. Olutayo, O. (2013). Theorising the Interconnectivity between Corporate Social Responsibility (CSR) and Corporate Identity. Journal of Management and Sustainability; Vol. 3, No. 1; 2013.
7. Operations Review Report, (2012) Konkola Copper Mines Sustainability.
8. Organization Science, Vol. 12, No. 6, November-December 2011, Bowman, E.H. & Moskowitz, G.T.: Real Options Analysis and Strategic Decision Making.
9. The American Statistician, (187-193), Some Practical Guidelines for Effective Sample Size Determination, (2013), Zambia's Mining Projects for Investments Journal.

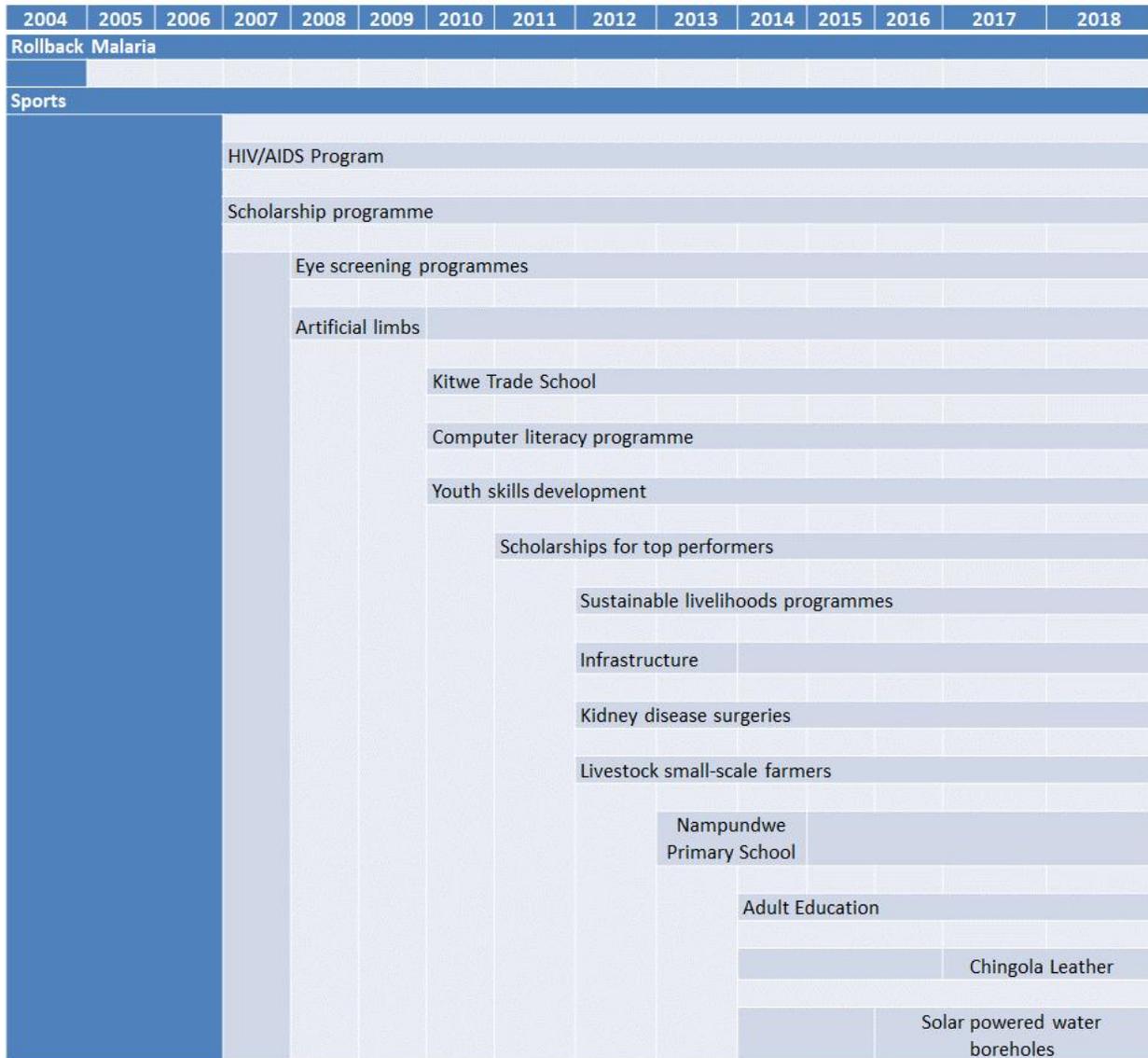
10. Towers Perrin (2009). Corporate Social Responsibility: It's No Longer an Option. 6.
Available from <http://www.towersperrin.com/tp/showdctmdoc.jsp>, accessed on 12 Dec.2008.

APPENDICES

Appendix A: Location of the KCM Community in Chingola.



Appendix B: KCM CSR Activities since 2004



Appendix C: Questionnaire for Respondents.

QUESTIONNAIRE

Q-ID:

Dear Sir/Madam,

This questionnaire aims at seeking information for the purpose of research work on the topic “***The effect of Mining activities on Corporate Social Responsibility (CSR). Case study of Konkola Copper Mines plc***”. In this endeavor your kind cooperation is solicited. I shall be grateful if you kindly fill in all this questionnaire. You are requested to respond to each question. Please be fair and frank while responding to the statements. The information supplied by you is strictly confidential and will be used only the research/academic purpose.

Thanking you in advance

SECTION A: Demographic Data

Tick where appropriate

- (1) **Gender:** Male [] Female []
- (2) **Age:** Below 30yrs [] 31-40 [] 41-50 [] Above 50 []
- (3) **Highest Education Level:** Primary [] Secondary [] Certificate [] Diploma [] Advanced Diploma [] Degree [] Master’s Degree [] PHD []
- (4) **Marital Status** Single [] Married []
- (5) **Department**.....**Section**.....
- (6) **Job Title**.....
- (7) **Years of Service**.....Less than 5 years [] 5-10 years [] Over 10 years []

SECTION B: PART I: RELATIONSHIP WITH THE COMPANY

Key: 5- Very well 4- well 3- Not sure 2- Bad 1- Very Bad

		5	4	3	2	1
1	Your relationship with the company					

C: PART I: MINING ASSISTANCE IN IMPROVING THE LIVELIHOOD OF THE COMMUNITY

Please tick appropriately

Key: 5- Strongly agree 4- Agree 3- Not sure 2- Disagree 1- Strongly disagree

Kindly indicate how mining has assisted in the improvement of livelihood in the following areas.

		5	4	3	2	1
2	Health,					
3	Education					
4	Environment					
5	Donations					

D: HOW HAS MANING AFFECTED YOU

The effects of KCM mining activities on the community

Please indicate your perception on how mining activities has affected you.

Tick where applicable

	Mining activities	How it has affected me
6	Positive	
7	Negative	
8	Not sure	

E: PART I: MINING CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES (MCSA) AT KCM

Which of the following activities has KCM has been involved in since its acquisition (please tick as many as applicable)

	KCM CSR activities	CSR Activities
9	KCM creates more Jobs	
10	Mining Increase of KCM Donations to the Community	

11	Mining Improves the recreation facilities	
12	To improve Std Of living	
13	Mining Increases the small scale activities	
14	Mining improves heath facilities	
15	Mining improves Cash for Infrastructure Development	
16	Improvement of the Living standards	
17	Mining Improves Community participation	
18	Increases the involvement in Receptions	
19	Increases the involvement in Infrastructure Development	
20	Mining Improves skills training in community	
21	Other (Specify)	

EFFECTS OF MINING ON THE COMMUNITY

Please tick appropriately: Key: 5- Strongly agree 4- Agree 3- Not sure 2- Disagree 1- Strongly disagree

	Category of risk	5	4	3	2	1
22	I feel that successful mining activities can improve the living standards in the community.					
23	I feel that more jobs are created when these activities are successful.					
24	There is sponsorship of recreation facilities such as soccer whenever these mining activities are successful.					
25	The mines are more involved in community works such as repairing of community infrastructure whenever there revenues are high.					
26	I feel the mines is more involved in community skills					

	training such as tailoring and shoe making					
27	Employees fair and just treatment is of high priority					

THANK YOU FOR YOUR TIME

Appendix D: Ethical clearance letter



THE UNIVERSITY OF ZAMBIA

DIRECTORATE OF RESEARCH AND GRADUATE STUDIES

Great East Road | P.O. Box 32379 | Lusaka 10101 | **Tel:** +260-211-290 258/291 777
Fax: +260-1-290 258/253 952 | **Email:** director@drgs.unza.zm | **Website:** www.unza.zm

Approval of Study

10th August, 2018

REF. NO. HSSEREC: 2018-JULY-002

Mr. Yoram Chikonkolo
60 Nkambo Street
Kabundi South
Chingola
ZAMBIA

Dear Mr. Chikonkolo,

RE: "EFFECTS OF MINING ON CORPORATE SOCIAL RESPONSIBILITY - A CASE STUDY AT KONKOLA COPPER MINE - PLC"

Reference is made to your request for waiver of ethical approval of the study. The University of Zambia Humanities and Social Sciences Research Ethics Committee IRB has approved the study noting that there are no ethical concerns.

On behalf of The University of Zambia Humanities and Social Sciences Research Ethics Committee IRB, we would like to wish you all the success as you carry out your study. In future ensure that you submit an application for ethical approval early enough.

Yours faithfully,

Dr. Jason Mwanza

BA, MSoc, Sc., PhD

CHAIRPERSON

**THE UNIVERSITY OF ZAMBIA HUMANITIES AND SOCIAL SCIENCES
RESEARCH ETHICS COMMITTEE IRB**

cc: Assistant Director (Research), Directorate of Research and Graduate Studies
Assistant Registrar (Research), Directorate of Research and Graduate Studies

Excellence in Teaching, Research and Community Service