

# Corporate Social Investment - is the money trickling away?

By Neil Robinson, Chief Operating Officer, Relate Bracelets

South African corporates spent almost R8-billion on corporate social investment last year. Without proper systems in place, much of that money could be trickling away and not doing the good that it is intended to do. Neil Robinson, Chief Operating Officer of Relate Bracelets, appeals to companies to make sure that their money is being put to good use.

A few years ago, assigning money for do-gooding was considered by many financial managers to be an irritating add-on in their busy schedules, but there's a definite trend among corporates worldwide towards better corporate citizenship. No one, least of all huge corporates, should consider it possible to live in a world so full of ills without feeling a compulsion to help where they can.

Many companies have already identified CSI as part of their core work and consider it in their strategic planning along with other parts of their business, like marketing, production, finance and human resources.

However, there are a great many companies that simply pay over the required one percent of net profit after tax – stipulated by the South African Department of Trade and Industry's empowerment codes – without due diligence.

They may have in place broad measures for monitoring how sustainable their involvement is with their CSI projects, but they don't have detailed updates and on-going monitoring, both of which are mandatory in any efficiently run business. Not having a full understanding of the impact a company's money makes on



the social fabric of the country could tantamount to flushing that money down the toilet.

Earlier this year, Tshikululu Social Investment released research findings about what motivated companies to undertake corporate social investment. One of the findings was that social responsibility programmes were seen as an extension of a company's values and culture, and a means of demonstrating their commitment to the development of South Africa. Yet, while many of them undertook CSI projects long before government or industry demanded them, these projects were often intangible in terms of results.

Corporate social investment needs to form an integral part of a company's policy and central business planning. It requires financial and human resources to run it properly so that it becomes a fully-fledged, well-functioning department that contributes to good corporate

governance and business management in a way that truly helps beneficiaries of CSI largesse - whether that largesse is a legal requirement only or is contributed with goodwill and an authentic desire to do good in the world.

There are a great many non-governmental organisations doing sterling work in difficult environmental circumstances within dire financial constraints. True commitment to social transformation from corporates would be to wisely pick an NGO to support, to be truly interested in the work they are doing, the goals they are setting and reaching, and their long-term effect of their work within the communities they have targeted.

Prudent CSI spending is the most effective way to contribute socially. It's also the best business practise.

*Neil Robinson is the Chief Operating Officer for Relate Bracelets, a 100% not-for-profit social enterprise.*