

# Why CSI should be personal

## Take an interest in where your “moral money” is going



**S**outh African corporates spent nearly R8-billion on corporate social investment last year.

But this number belies the millions of South Africans plagued by what Tracey Henry, CEO of Tshikululu Social Investments, called “the triple dilemma of poverty, unemployment and inequality”.

Very few corporates know how to measure the impact their money is having in the long-term. While the tracking of CSI spending has improved in recent years, there are still gaps in evaluating its efficacy.

Earlier this year, Tshikululu presented results of research it had done into what motivated companies to undertake corporate social investment. The results showed that social responsibility programmes were generally seen

as an extension of a company’s values and a means of demonstrating their commitment to the development of South Africa. But, while many companies undertook CSI projects long before government or industry regulations demanded them, these projects were often intangible in terms of results, the research found.

Legislation requires that corporates donate 1% of their net profit after tax to socio-economic development. Many big companies are rigorous about monitoring where the money is going, but others fall short in this area. They’re busy with their core business and their 1% is often an afterthought.

There is a worldwide trend toward better corporate citizenship and an authentic understanding by corporates that they are part of a community and cannot simply make profit without giving something back. And in South Africa, help is sorely needed, as government cannot possibly cope alone with the social ills with which we are beset.

It is an appalling thought that some of the nearly R8-billion spent on social development last year could have been frittered away because there was not enough strategic thinking and implementation around where big business is spending its money. Regardless of the motives for CSI, not a cent should be going to waste.

But it does, because businesses do not plan their CSI spending properly. They do not assign staff and resources to the careful planning and execution of social development projects.

The only way to overcome this kind of wastage—which any good business manager would want to avoid at all costs in any other department—is to dedicate time, energy and resources to strategic planning.

When I was working for corporates, I initially assigned the required 1% without really knowing what that money was doing. My

first foray into the world of non-governmental organisations was a pleasing eye-opener. I was astounded by the work that NGOs do with little resources. And I was shocked that so much of the money that they used to do this work came from organisations outside of South Africa.

There’s not enough Lotto or government money going to NGOs. And demand for their work is always pressing. Without the work that they do, South Africa would be in dire straits.

From then on, CSI spending became, for me, about personal social responsibility. I became increasingly aware of how important it is for corporates to take a real—and measurable—interest in where their moral money is going.

In order for CSI funding to have an impact, CSI needs to form an integral part of a business strategy—just like human resources, marketing, operation, production, manufacturing and finance. And this should form part of every business, even if it isn’t a corporate heavy weight.

When social investment is positioned like that inside a company, it becomes a part of its functioning and its work will be caught up in the wider net of good governance and management of a business. That way, efficacy can be monitored and improved where necessary.

Only once the measurement and monitoring of the long-term effects of the billions spent by corporates on social development—and they have proven to themselves that the projects they are involved in are sustainable—will these valuable contributions no longer be questionable.

When social spending is afforded due diligence, its effect becomes quantifiable. ▲

*Neil Robinson is the chief operating officer for Relate Bracelets, a 100% not-for-profit social enterprise.*