Linking Labour Law and Consumer Law in South Africa: The Impact of the "Add Hope Initiative" on KFC Employees and Consumers

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SUMMARY

This article explores the legal and ethical challenges of corporate-social-responsibility initiatives, focusing on KFC South Africa's "Add Hope" charity campaign. With South Africa's ongoing issues of poverty and unemployment, corporate-social-responsibility campaigns, such as soliciting small donations from consumers, can significantly impact employees and consumers alike. The study identifies gaps in South African labour and consumer-protection laws that fail to address fully the pressures placed on employees tasked with soliciting donations and the ethical concerns surrounding consumer coercion. Through doctrinal analysis and case studies, this article examines these issues and calls for a more nuanced legal framework to safeguard both employee welfare and consumer rights.

The findings highlight the need for clear legal guidelines regarding corporate-social-responsibility participation and consumer protection from undue influence. This article underscores the importance of establishing a balance between corporate social responsibility and the protection of employee and consumer rights. By revising labour and consumer-protection laws to account for the specific challenges posed by corporate social responsibility, businesses can foster more ethical, transparent and sustainable charitable initiatives. This study contributes to the broader conversation about the intersection of corporate responsibility, labour rights and consumer protection, offering insights that can inform both legal scholarship and policy development.

KEYWORDS: consumer, corporate social responsibility, employee, employee well-being, KFC South Africa, point-of-sale donation

1 INTRODUCTION

In South Africa, where there is widespread poverty and unemployment,[1] particularly impacting vulnerable children and their caregivers,[2] the request

[1] Hove "The Intersectionality Between Violence and Poverty in Africa: Sketching the Prevalence of Various Forms of Violence in South Africa" *The Palgrave Handbook of*

https://doi.org/10.17159/49gacd50

for a small donation, combined with corporate support, empowers consumers to contribute meaningfully toward alleviating hunger and promoting dignity among impoverished families.[3] Initiatives such as KFC South Africa's "Add Hope" campaign,[4] which encourages consumers to donate small amounts at the point of sale, are seen as a means to alleviate hunger and support communities.

While soliciting donations at the point of sale fosters a culture of shared social responsibility by enhancing companies' community impact and offering customers an accessible way to support social causes, a lack of transparent oversight risks donor mistrust and could ultimately undermine charitable initiatives and public confidence in the company.[5] Furthermore, soliciting donations at the point of sale can place additional pressure on employees, as they may be tasked with encouraging contributions while maintaining positive customer interactions, which could lead to stress or discomfort if customers react negatively. In the workplace, employers must bear in mind that employees are a critical component of an organisation, as its success or failure is fundamentally dependent on the performance and contributions of its workforce.[6]

While such initiatives promote social goodwill, they also put pressure on employees tasked with soliciting donations and maintaining positive customer interactions.[7] These campaigns raise significant legal and ethical questions, especially regarding the adequacy of labour and consumer-protection laws. In South Africa, the Labour Relations Act[8] (LRA) and the Basic Conditions of Employment Act[9] (BCEA) provide protections for employees but do not address corporate-social-responsibility-related duties such as fundraising responsibilities.[10] Furthermore, the Consumer Protection Act[11] (CPA) aims to protect consumers but does not adequately regulate

Violence in Africa (2024) 619–638; Vyas-Doorgapersad "Exploration of Service Delivery Challenges in South Africa" 2024 4(3) *International Journal of Educational Review, Law and Social Sciences* 837–847; Kajiita and Kang'ethe "Paradoxes of Social Grants in South Africa: The Case of COVID-19 Social Relief of Distress Grant" 2024 5(7) *E-Journal of Humanities, Arts and Social Sciences* 1133–1145.

2 Joseph, Mthembu and Maburu "The Impact of the COVID-19 Pandemic on the Mental Health of Families" in Huggins, Esnard, Wallace, Descartes and Gomes (eds) *Prospects and Challenges for Caribbean Societies in and Beyond COVID-19* (2024) 193–211.

3 Pather *Extending Corporate Social Responsibility Programmes in the Food Retail Industry to Social Grant Recipients* (doctoral thesis, University of KwaZulu-Natal) 2018 108.

4 Launched in South Africa in 2009, *Add Hope* combines voluntary R2 donations from KFC customers with online contributions and staff support to provide meals for approximately 120 000 vulnerable children daily. This initiative operates through partnerships with 138 beneficiary agencies and organisations across the country.

5 Indiana University Lilly Family School of Philanthropy *Digital for Good: A Global Study on Emerging Ways of Giving – South Africa* (2022) 27.

6 Anand and Yeung "Employee Development and Its Effect on Employee Performance at KFC Restaurant Brands" 2018 *Proceedings of the Applied Management Conference* 1–91 39.

7 Pather *Extending Corporate Social Responsibility Programmes* 108; Indiana University Lilly Family School of Philanthropy *Global Study – South Africa* 27.

8 66 of 1995.

9 75 of 1997.

10 Anand and Yeung paper presented at Applied Management Conference 39.

11 68 of 2008.

point-of-sale donation requests, leaving room for potential exploitation.[12] This article aims to fill this gap by exploring how corporate-social-responsibility practices intersect with labour rights and consumer protection in South Africa.

This article also examines how corporate-social-responsibility initiatives, like those seen in the fast-food industry, affect employee well-being and consumer decision-making. Specifically, the study explores whether the pressure to solicit donations undermines employees' emotional well-being and whether consumers feel coerced into contributing, undermining their ability to make informed choices. The findings from this article are critical to understanding the broader implications of corporate social responsibility in a South African context, where societal and legal norms often clash with corporate interests. Through doctrinal legal analysis, this article addresses these concerns and provides recommendations for reform.

This article delves into the concept of corporate social responsibility, tracing its evolution, and analysing the role of employees in facilitating charitable donation campaigns. In addition, it examines the existing legal frameworks governing labour rights and consumer protection, identifying critical gaps that leave employees and consumers vulnerable. It also focuses on the ethical implications of corporate-social-responsibility-driven donation initiatives, assessing their impact on employees tasked with soliciting contributions and consumers who may feel pressured to donate. Furthermore, it offers targeted recommendations for legal reforms to address these gaps and promote more equitable corporate practices. Lastly, this article summarises the key findings and discusses their potential implications for corporate behaviour and legal policy.

2 THE IMPORTANCE OF ETHICAL FOUNDATIONS OF CORPORATE SOCIAL RESPONSIBILITY

The concept of corporate social responsibility has evolved significantly since its early foundations in the 1930s.[13] Defined as the ethical treatment of a firm's stakeholders,[14] corporate social responsibility has become a central tenet in modern business philosophy, with various authors contributing to its interpretation and expanding scope.[15] Over time, corporate social responsibility has increasingly been seen as essential for achieving

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12 Crane and Matten *Business Ethics: Managing Corporate Citizenship and Sustainability in the Age of Globalization* (2004) 1–484.

13 Carroll "A Three-Dimensional Conceptual Model of Corporate Performance" 1979 4(4) *Academy of Management Review* 497–505.

14 Eshra and Beshir "Impact of Corporate Social Responsibility on Consumer Buying Behavior in Egypt" 2017 7(1) *World Review of Business Research* 32 32.

15 Lin "The Role of Corporate Social Responsibility and Corporate Social Irresponsibility in Shaping Corporate Reputation: An Analysis of Competitive Action and Innovation Strategies" 2004 31(2) *Corporate Social Responsibility and Environmental Management* 1451–1468; Batuwael, Ataina and Hwihanus "The Influence of Corporate Social Responsibility on Customer Loyalty Across Countries" 2024 2(2) *Ethics and Law Journal: Business and Notary* 228–236; Vernyuy "Corporate Social Responsibility (CSR): The Role of Government in Promoting CSR" 2023 15(2) *Journal of the Knowledge Economy* 7428–7454.

organisational success and sustainable growth, especially in contexts with diverse stakeholder interests.[16] Rather than merely an operational cost, corporate social responsibility represents a strategic investment that strengthens stakeholder relationships and enhances competitive advantage.[17] This approach implies a commitment to considering the societal implications of corporate activities, thereby ensuring that organisations take responsibility for their impact on stakeholders and the environment.[18]

This responsibility extends beyond compliance with legal requirements, urging organisations voluntarily to implement initiatives that improve the quality of life for employees, their families and the wider community.[19] By upholding corporate-social-responsibility principles, businesses meet ethical standards, contribute to social well-being, and foster loyalty and support among stakeholders, which are essential for long-term success.[20]

In South Africa, corporate social responsibility holds particular importance, as it is deeply rooted in the principles of *ubuntu* and ethical governance. For instance, the South African understanding of corporate social responsibility is profoundly shaped by the *King Report on Corporate Governance for South Africa 2009* (King III), which underscores the intrinsic link between ethical conduct and business practices.[21] A key concept in this report is *ubuntu*, an African philosophy expressed in the phrase "uMuntu ngumuntu ngabantu," meaning "I am because you are; you are because we are".[22] This principle emphasises human interconnectedness, where individual dignity and identity are fundamentally tied to the welfare of others.

Ubuntu promotes mutual support, respect, interdependence and shared responsibility, suggesting that businesses are accountable to shareholders and the communities in which they operate. This view aligns with the philosophy of servant leadership,[23] which advocates for a shared purpose in all human endeavours and prioritises service to humanity. By embedding corporate social responsibility in these ethical values, South African businesses are encouraged to adopt a holistic approach that supports sustainable development, social cohesion and economic equity, reflecting the nation's rich cultural heritage and values.

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16 Eshra and Beshir 2017 *World Review of Business Research* 32.

17 *Ibid*.

18 *Ibid*.

19 *Ibid.*

20 *Ibid.*

21 King Committee on Corporate Governance *King Report on Governance for South Africa 2009* (2009) (King III).

22 King III 10; Modiri *The Corporate Social Responsibility of Companies and Its Effects on Competitive Advantage: A Comparative Analysis of Botswana and South Africa* (master's thesis, University of Pretoria) 2016 15; Kirby ''What's Really Right? Corporate Social Responsibility as a Legal Obligation in South Africa'' (6 February 2014) https://www.werksmans.com/legal-updates-and-opinions/whats-really-right-corporate-social-responsibility-as-a-legal-obligation-in-south-africa/ (accessed 2024-11-10).

23 Kirby https://www.werksmans.com/legal-updates-and-opinions/whats-really-right-corporate-social-responsibility-as-a-legal-obligation-in-south-africa/.

3 BRIDGING LEGISLATIVE GAPS: CORPORATE SOCIAL RESPONSIBILITY, EMPLOYEE RIGHTS AND CONSUMER PROTECTION

The role of corporate social responsibility within the workplace and consumer markets has garnered significant attention, underscoring the need for comprehensive legal frameworks to address its complexities. As noted above, corporate-social-responsibility initiatives are often designed to promote ethical practices and contribute to social good, but as is highlighted in preceding discussions, they can inadvertently create pressure on both employees and consumers, raising concerns regarding the adequacy of existing protections and rights.[24]

In South African law, the LRA and the BCEA are fundamental instruments that establish minimum standards for fair labour practices and employee protections.[25] While these statutes provide essential safeguards for employees, they do not specifically address the imposition of non-core corporate-social-responsibility-related duties, such as fundraising responsibilities on employees. The author believes this gap leaves employees vulnerable to undue stress or discomfort from such tasks without legal recourse under existing labour laws.

In a similar vein, consumer protection in South Africa is governed by the CPA, which aims to promote fairness, transparency and informed decision-making in consumer transactions. The CPA applies to all transactions conducted within South Africa that involve the provision of goods or services, except for cases where a transaction is expressly exempted from the Act's scope.[26] Part F of the Act enshrines the right to fair and honest dealing, which is intended to protect consumers from coercion or manipulation.[27] However, the author believes that when corporate-social-responsibility initiatives require or pressure consumers to make charitable donations at

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[24] Crane and Matten *Business Ethics: Managing Corporate Citizenship and Sustainability in the Age of Globalization* 1–484.

[25] S 23(1) of the Constitution of the Republic of South Africa, 1996 (the Constitution) states that "[e]veryone has the right to fair labour practices". See also *Maoke v Telkom (Soc) Limited* [2020] ZAGPPHC 125; (2020) 41 ILJ 2414 (GP) par 45. The word "everyone" is not defined, but one takes into account s 8(4) of the Constitution. See also s 2 of the BCEA, which provides:
"The purpose of this Act is to advance economic development and social justice by fulfilling the primary objects of this Act which are–
(a) to give effect to and regulate the right to fair labour practices conferred by section 23(1) of the Constitution–
(i) by establishing and enforcing basic conditions of employment; and
(ii) by regulating the variation of basic conditions of employment;
(b) to give effect to obligations incurred by the Republic as a member state of the International Labour Organisation."

[26] S 5 of the CPA. See also Stoop "The Consumer Protection Act 68 of 2008 and Procedural Fairness in Consumer Contracts" 2015 18(4) *Potchefstroom Electronic Law Journal* 1091–1124.

[27] See, for example, s 40(1) of the CPA, which states: "A supplier or an agent of the supplier must not use ... coercion, undue influence, pressure, duress or harassment, unfair tactics or any other similar conduct, in connection with any–
(a) marketing of any goods or services; *(b)* supply of goods or services to a consumer..."

points of sale, this can create a transactional ambiguity.[28] While these donations may be presented as voluntary, social and peer pressures may make consumers feel obligated, potentially undermining their ability to make informed choices. It is submitted that the Act does not adequately address charitable solicitations in commercial transactions, leaving room for potential exploitation.

Even worse, the absence of specific regulations governing retail giving in South Africa creates uncertainty among customers about whether contributions are fully allocated to charitable causes, underscoring the need for industry regulators to oversee philanthropic projects effectively. These gaps in labour and consumer-protection laws highlight the need for a more nuanced regulatory framework that addresses the intersection of corporate social responsibility, employee rights and consumer protection.

Although existing statutes provide broad protections, they do not sufficiently account for the subtle yet significant pressures that corporate-social-responsibility initiatives can place on employees and consumers. A revised legal framework could offer more explicit guidelines regarding non-core employee duties such as fundraising and provide stronger protection against coercive corporate-social-responsibility-related practices targeting consumers. Policymakers should, therefore, consider introducing specific regulations that safeguard both employee well-being and consumer rights, ensuring that corporate-social-responsibility initiatives promote fairness and transparency without imposing undue burdens on either group. Such a framework would enhance legal clarity and foster a more equitable business environment.

4 CORPORATE SOCIAL RESPONSIBILITY IMPLICATIONS IN THE FAST-FOOD INDUSTRY

4 1 General

Corporate social responsibility has become a cornerstone of modern business strategy, aiming to balance profit-making with ethical, social and environmental commitments. In the fast-food industry, where customer interactions are frequently visible, corporate-social-responsibility initiatives such as charitable donation campaigns are increasingly integrated into daily operations. However, these efforts often bring unintended challenges, including employee stress, consumer discomfort and ethical dilemmas. Using KFC South Africa's "R2 donation" initiative as a case study, this discussion explores the multifaceted impact of corporate social responsibility

[28] In terms of s 40 of the CPA, "unconscionable" conduct focuses on the improper ways in which the will and mindset of the consumer can be influenced (Chendip *Does the Consumer Protection Act 68 of 2008 Provide Adequate Protection to the Consumer With Regard to Unfair or Unconscionable Commercial Practices?* (master's thesis, University of Pretoria) 2018 1–78); Du Plessis "Section 40" in Naudé & Eiselen *Commentary on the Consumer Protection Act* (2014) 40–1.

on employees, consumers, and corporate reputation, highlighting the need for balanced and transparent practices.[29]

4 2 Ethical, Employee and Consumer Challenges

4 2 1 Impacts on employee well-being and role expectations

Corporate social-responsibility-initiatives can positively influence employee perceptions of their organisations, fostering higher levels of commitment and job satisfaction.[30] Employees often take pride in associating with companies that prioritise social responsibility, which enhances their sense of purpose and alignment with organisational values.[31] However, the author believes that embedding such responsibilities into employees' roles, particularly in customer-facing positions, can lead to adverse outcomes. Thus, a primary challenge associated with point-of-sale charitable campaigns is the requirement that employees solicit customer donations at the point of checkout.[32]

Glavas notes that corporate-social-responsibility tasks often result in role ambiguity, conflict and increased workload when imposed as part of regular job responsibilities.[33] In the context of KFC's South African branches, the author believes that requiring employees to solicit donations has exacerbated these challenges. According to Hochschild, such responsibilities place additional psychological and emotional demands on workers.[34] Employees in these roles must navigate potentially negative customer responses, manage their emotional well-being, and fulfil operational duties simultaneously, often without sufficient training or support.[35] This additional burden contributes to emotional labour, defined as

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29 With approximately 960 outlets in South Africa, 90% of which are franchised, KFC leads the fast-food market and supports the *Add Hope* initiative, which allocates R2.00 from each customer purchase to fight malnutrition. This programme partners with nonprofits to provide nutritious meals to over 150 000 underprivileged children, aiming to break the cycle of childhood hunger (see Indiana University Lilly Family School of Philanthropy *Digital for Good: A Global Study on Emerging Ways of Giving – South Africa* 26).

30 Turker "Measuring Corporate Social Responsibility: A Scale Development Study" 2009 85 *Journal of Business Ethics* 411–427.

31 Bauman and Skitka "Corporate Social Responsibility as a Source of Employee Satisfaction" 2012 32 *Research in Organizational Behavior* 63–86.

32 Caulfield, Baird and Lee "The Ethicality of Point-Of-Sale Marketing Campaigns: Normative Ethics Applied to Cause-Related Checkout Charities" 2020 175(4) *Journal of Business Ethics* 799–814.

33 Glavas "Corporate Social Responsibility and Organizational Psychology: An Integrative Review" 2016 7 *Frontiers in Psychology* 144.

34 Hochschild *The Managed Heart: Commercialization of Human Feeling* (2019) 1–352.

35 Rupp, Ganapathi, Aguilera and Williams "Employee Reactions to Corporate Social Responsibility: An Organizational Justice Framework" 2006 27(4) *Journal of Organizational Behavior: The International Journal of Industrial, Occupational and Organizational Psychology and Behavior* 539. This observation draws on the findings of the 2006 work by Rupp and Spencer (cited in Rupp *et al*.) regarding the 'emotional labor' required when customers lash out. Their research demonstrates that such interactional injustice leads to negative discrete emotions like anger, which necessitates organisational intervention. This

the process of managing feelings and expressions to meet job requirements.[36] The strain of soliciting donations as part of the R2 initiative intensifies the stress experienced by employees, increasing the risk of burnout and reduced job satisfaction.[37] Furthermore, as Grant argues, employees may feel exploited if their participation in corporate social responsibility is perceived as serving corporate interests rather than genuine social good.[38]

Role ambiguity further compounds these issues. Employees tasked with balancing corporate and operational social-responsibility activities often experience uncertainty about their role expectations, leading to frustration and disengagement.[39] This disconnect can undermine the intended benefits of corporate-social-responsibility programmes, ultimately harming employee morale and retention rates.[40] In South Africa, employees at KFC who fail to meet their daily performance targets are threatened with warnings.[41] For example, the article "KFC Under Fire After Worker Gets Warning for Not Meeting R2 Charity Donation Targets" highlights concerns surrounding KFC South Africa's Add Hope charity campaign and its impact on employees based on a written warning that circulated on social media, revealing that a KFC employee received disciplinary action for failing to meet the "Add Hope target" of encouraging customers to donate R2 to the charity.[42]

KFC South Africa investigated and clarified that the disciplinary action was taken by the franchise owner, not corporate management. The company expressed opposition to using the "Add Hope" programme as a performance measure and emphasised their commitment to reinforcing this stance through communication and staff training. The article also highlights the pressure employees face to meet these donation targets. Former employees recounted the experience of management pressuring staff to convince customers to donate, with verbal warnings given for missed targets and the threat of being reassigned to different duties.

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may include interventions such as the training and clear expectations proposed here. Thus, to fulfill the employee's relational and deontic needs for fair treatment and support.

36 Ashforth and Humphrey "Emotional Labor in Service Roles: The Influence of Identity" 1993 18(1) *Academy of Management Review* 88.

37 Grandey "Emotional Regulation in the Workplace: A New Way to Conceptualize Emotional Labor" 2000 5(1) *Journal of Occupational Health Psychology* 95.

38 Grant "Relational Job Design and the Motivation to Make a Prosocial Difference" 2007 32(2) *Academy of Management Review* 393–417.

39 Kahn, Wolfe, Quinn, Snoek and Rosenthal "Role Stress: Studies in Role Conflict and Ambiguity" in Kahn (ed) *Organizational Stress: Studies in Role Conflict and Ambiguity* (1964) 125–129.

40 Bauman and Skitka 2012 *Research in Organizational Behavior* 63–86.

41 Sikhakhane and Roberts "KFC Under Fire After Worker Gets Warning for Not Meeting R2 Charity Donation Targets" (30 June 2024) *Daily Maverick* https://www.dailymaverick.co.za/article/2024-06-30-kfc-under-fire-after-worker-warned-over-charity-donation-targets/ (accessed 2024-11-14); Knowler "KFC Add Hope: One Franchise Added Punishment for Staffers Not Getting Enough Customers to Say Yes to R2 Donation" (13 June 2024) *Timeslive* https://www.timeslive.co.za/news/consumer-live/2024-06-13-kfc-add-hope-one-franchise-added-punishment-for-staffers-not-getting-enough-customers-to-say-yes-to-r2-donation/ (accessed 2024-11-14); Dangazele "KFC Fries Five Workers Over R2 Charity Donations" (25 March 2024) *Scrolla* https://scrolla.africa/kfc-fries-five-workers-over-r2-charity-donations/ (accessed 2024-11-14).

42 *Ibid*.

The Food and Allied Workers Union (FAWU) condemned the practice, arguing that expecting employees to meet targets over which they had no control, namely, customers' willingness to donate, was unreasonable. The latter called for clearer policies to avoid mistreating employees and improve working conditions. The article underscores the tensions between KFC's charitable objectives, the pressure placed on employees to achieve donation targets, and the wider implications of such practices for workers and the corporate brand. It is thus clear that it is essential to ensure that corporate policies and practices, particularly those involving employee performance targets, comply with labour laws and respect workers' rights while maintaining transparency and accountability in charitable initiatives.

4 2 2 Consumer experience and ethical fundraising practices

Consumer reactions to corporate-social-responsibility initiatives, particularly point-of-sale donation requests, are crucial to the success of these programmes.[43] Point-of-sale donation campaigns, often referred to as "checkout charity", have emerged as a widely used and increasingly popular fundraising mechanism.[44] These campaigns typically involve soliciting small monetary contributions from customers at the point of purchase, whether during checkout at physical retail locations, restaurant or online transactions.[45] Such donations resemble an impulse-buy opportunity in terms of timing and emotional processing, where individuals, often unexpectedly prompted to donate while completing a purchase, are likely to respond intuitively and emotionally rather than engage in a deliberate decision-making process regarding their financial contributions.[46]

Research indicates that consumers value opportunities to contribute to charitable causes when they perceive these actions as voluntary and transparent.[47] However, direct solicitation strategies, such as KFC's R2 donation initiative, may create ethical concerns and discomfort among consumers.[48] Point-of-sale donation requests can generate psychological pressure, compelling consumers to contribute to avoid guilt or social

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43 Caulfield, Baird and Lee 2020 *Journal of Business Ethics* 799–814; Glavas 2016 *Frontiers in Psychology* 144; Jones, Comfort and Hillier "What's in Store? Retail Marketing and Corporate Social Responsibility" 2007 25(1) *Marketing Intelligence & Planning* 17–30.

44 Sudbury and Vossler "Checking Out Checkout Charity: A Study of Point-Of-Sale Donation Campaigns" 2022 204 *Journal of Economic Behavior & Organization* 3 252–270.

45 *Ibid.*

46 Glavas 2016 *Frontiers in Psychology* 144.

47 Zhou, Xue, Yu and Zhou "The Effects of Perceived Deceptiveness and Pressure on Consumer Donation: A Mixed-Methods Study" 2020 16(1) *Social Responsibility Journal* 91–108 93; Lichtenstein, Drumwright and Braig "The Effect of Corporate Social Responsibility on Customer Donations to Corporate-Supported Nonprofits" 2004 68(4) *Journal of Marketing* 16–32; Dadush "Profiting in (RED): The Need for Enhanced Transparency in Cause-Related Marketing" 2009 42 *NYUJ Int'l I & Pol* 1269 1310; Lantos "The Boundaries of Strategic Corporate Social Responsibility" 2001 18(7) *Journal of Consumer Marketing* 595–632.

48 Zhou *et al* 2020 *Social Responsibility Journal* 91–108 93 examine the role of discomfort in the underlying processes of perceived deceptiveness and pressure that influence consumer donation behaviour.

judgment.[49] When consumers perceive point-of-sale solicitations as a violation of their social contract with the store, it can lead to adverse consequences.[50] In face-to-face retail settings, this pressure is heightened by the presence of employees and other customers, potentially leading to feelings of coercion.[51] Research also shows that individuals in social situations are more likely to increase their donations owing to social pressure rather than voluntary altruism.[52] These tactics risk negative brand associations, as customers may perceive the company as exploiting their goodwill rather than engaging in authentic philanthropy.[53]

Transparency is a critical factor in maintaining consumer trust and loyalty. Peloza and Shang emphasise that a lack of clarity around how donations are used can also lead to consumer scepticism and harm a brand's reputation.[54] In the case of KFC South Africa, some consumers have expressed concerns about the transparency and accountability of the R2 initiative, further eroding trust in the brand.[55]

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49 Small and Cryder "Prosocial Consumer Behavior" 2016 10 *Current Opinion in Psychology* 107–111. See also Glavas 2016 *Frontiers in Psychology* 144; Rupp *et al* 2006 *Journal of Organizational Behavior* 537–543.

50 Sharma "The Impact of Using Negative Versus Positive Karma Framing in Donation Appeals at Grocery Checkouts on the Facilitating Store's Outcomes" 2021 20(2) *Journal of Consumer Behaviour* 474–486 483; Bower "Why Soliciting Donations at the Cash Register Can Backfire" 2020 98(2) *Harvard Business Review* https://hbr.org/2020/03/why-soliciting-donations-at-the-cash-register-can-backfire (accessed 2024-11-14).

51 Frey-Cordes, Eilert and Büttgen "Eye for an Eye? Frontline Service Employee Reactions to Customer Incivility" 2020 34(7) *Journal of Services Marketing* 939–953 945.

52 Xu, He, Li, Duan and Li "Voluntary or Reluctant? Social Influence in Charitable Giving: An ERP Study. Social Cognitive and Affective Neuroscience" 2023 18(1) *nsad010*. In addition to altruistic motivations, research denotes that charitable giving is often driven by social pressure, including the desire to conform to social norms or passive compliance with a request for assistance (Andreoni and Rao "The Power of Asking: How Communication Affects Selfishness, Empathy, and Altruism" 2011 95(7–8) *Journal of Public Economics* 513–20; Meer "Brother, Can You Spare A Dime? Peer Pressure in Charitable Solicitation" 2011 95(7–8) *Journal of Public Economics* 926–4; DellaVigna, List and Malmendier "Testing for Altruism and Social Pressure in Charitable Giving" 2012 127(1) *The Quarterly Journal of Economics* 1–56).

53 Godfrey, Merrill and Hansen "The Relationship Between Corporate Social Responsibility and Shareholder Value: An Empirical Test of the Risk Management Hypothesis" 2009 30(4) *Strategic Management Journal* 425–445 and see Sikhakhane and Roberts https://www.dailymaverick.co.za/article/2024-06-30-kfc-under-fire-after-worker-warned-over-charity-donation-targets/; Knowler https://www.timeslive.co.za/news/consumer-live/2024-06-13-kfc-add-hope-one-franchise-added-punishment-for-staffers-not-getting-enough-customers-to-say-yes-to-r2-donation/; Dangazele https://scrolla.africa/kfc-fries-five-workers-over-r2-charity-donations/.

54 Peloza and Shang "How Can Corporate Social Responsibility Activities Create Value for Stakeholders? A Systematic Review" 2011 39 *Journal of the Academy of Marketing Science* 117–135; Park "The Mediating Role of Skepticism: How Corporate Social Advocacy Builds Quality Relationships With Publics" 2022 28(8) *Journal of Marketing Communications* 821–839 824; Piao, Kang, Kim and Bai "A Donation-With-Purchase at a Restaurant: Perceived Authenticity in a Cause-Related Marketing" 2024 48(4) *Journal of Hospitality & Tourism Research* 622–63 627.

55 Ngema "After Being Called Out, KFC Responds to Where R2 Add Hope Donations Are Going" (15 May 2020) https://www.iol.co.za/dailynews/news/after-being-called-out-kfc-responds-to-where-r2-add-hope-donations-are-going-47975239 (accessed 2024-11-14); KFC "Indlala Your R2 Turns Hunger into Play" (5 May 2024) https://www.facebook.com/KFCSA/posts/without-your-help-we-wouldnt-be-able-to-make-a-difference-in-childrens-lives-her/892791709545460 (accessed 2024-11-14).

To address these challenges, companies should adopt ethical fundraising practices that prioritise consumer autonomy and avoid undue pressure. For instance, McDonald's use of passive donation boxes provides a non-coercive alternative, allowing consumers to contribute at their discretion.[56] These approaches underscore the importance of balancing consumer engagement with ethical considerations to protect brand integrity.

4 2 3 Legal and ethical implications

An understanding of corporate responsibility extends beyond mere legal compliance, demanding an ethical commitment to uphold societal values and stakeholder expectations. This has been well captured by Carroll as follows:

> "Laws and regulations are essential but are not sufficient. Ethical responsibilities of business are needed to embrace those standards and practices that are expected or prohibited by society even though they may not be codified into laws or regulations – yet, in many cases. Ethical responsibilities embrace businesses adhering to the spirit of the law as well as the letter of the law. Ethical responsibilities embody the full scope of norms, standards, values and expectations that reflect what consumers, employees, shareholders, the community, and other stakeholders regard as fair, just and consistent with respect for and protection of stakeholders' moral interests and rights. Superimposed on these normal, everyday, ethical expectations and norms of society and stakeholder groups are the implicit levels of ethical performance suggested by a consideration of the great universal ethical principles of moral philosophy, such as justice, rights, utilitarianism, virtue, care, and other relevant values."[57]

Integrating corporate-social-responsibility initiatives into employee roles raises complex legal and ethical questions. From a labour perspective, requiring employees to participate in these activities without additional compensation or adequate support may violate fair labour practices, especially when these tasks are not part of their official job descriptions.[58] Similarly, consumer-protection laws mandate that charitable giving remains voluntary, and practices perceived as coercive may expose companies to legal liabilities. As outlined in section 40 of the CPA, it is prohibited to employ coercion, undue influence, pressure, duress, harassment, unfair tactics or any comparable conduct in relation to the marketing and supply of goods or services, the negotiation, formation, execution, or enforcement of contracts for the supply of goods or services to consumers, as well as in the demand or collection of payment for goods or services, or the recovery of goods from consumers.

Ethically, the author believes that delegating these responsibilities to employees and consumers can undermine the integrity of corporate-social-responsibility initiatives. Campbell argues that genuine corporate-social-

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[56] Becker-Olsen, Cudmore and Hill "The Impact of Perceived Corporate Social Responsibility on Consumer Behavior" 2006 59(1) *Journal of Business Research* 46–53.

[57] Carroll "Corporate Social Responsibility (CSR) and the COVID-19 Pandemic: Organizational and Managerial Implications" 2021 14(3) *Journal of Strategy and Management* 315–330 322.

[58] Donaldson and Preston "The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications" 1995 20(1) *Academy of Management Review* 65–91.

responsibility practices should prioritise social impact over profit-driven motives.[59] In KFC's case, requiring employees to solicit donations shifts the burden of social responsibility from the organisation to its workforce, raising questions about fairness and accountability.[60] Therefore, companies must carefully navigate these legal and ethical considerations to avoid reputational damage and protect stakeholder interests. Transparent communication, employee support and voluntary consumer engagement are essential components of ethical corporate-social-responsibility practices that respect the welfare of all stakeholders.[61]

5 RECOMMENDATIONS AND CONCLUSION

The article highlights the need for a more comprehensive legal framework to address the dual challenges posed by corporate-social-responsibility initiatives. It is recommended that South African labour laws be amended to include specific provisions addressing corporate-social-responsibility-related duties that employers may impose on employees, such as soliciting donations. While the Labour Relations Act protects against unfair labour practices,[62] it does not explicitly account for tasks such as fundraising, which can lead to role ambiguity and employee stress. Employers should be required to ensure that corporate-social-responsibility-related activities are voluntary and accompanied by adequate support, such as training and clear expectations, to avoid exploiting their workforce.[63]

In addition, the CPA should be revised to provide more explicit guidelines on point-of-sale charitable donations. While the Act protects consumers from coercion in general business transactions,[64] it does not fully address the ethical concerns raised by corporate-social-responsibility campaigns. To ensure transparency and avoid undue pressure on consumers, it is recommended that businesses clearly disclose how donated funds are used and give consumers a choice to participate without social or emotional pressure.[65] Implementing such measures would help maintain consumer trust and prevent negative brand associations.

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59 Campbell "Why Would Corporations Behave in Socially Responsible Ways? An Institutional Theory of Corporate Social Responsibility" 2007 32(3) *Academy of Management Review* 946–967.

60 Aguinis and Glavas "What We Know and Don't Know About Corporate Social Responsibility: A Review and Research Agenda" 2012 38(4) *Journal of Management* 932–968.

61 Ashforth and Humphrey 1993 *Academy of Management Review* 88.

62 S 185(*b*) of the LRA.

63 Rupp *et al* 2006 *Journal of Organizational Behavior* 538. While Rupp *et al* do not explicitly mandate that all CSR activities be voluntary, their organisational justice framework suggests that these employees' reactions depend on perceptions of fairness. The authors illustrate the impact of voluntary commitment through the case of employees unanimously sacrificing bonuses for wind power. Furthermore, they argue that positive relational outcomes depend on employees' understanding and agreeing with the rationale behind CSR decisions, which supports the need for clear expectations and organisational support (Rupp *et al* 2006 *Journal of Organizational Behavior* 540-541).

64 S 40 of the CPA.

65 Ngema https://www.iol.co.za/dailynews/news/after-being-called-out-kfc-responds-to-where-r2-add-hope-donations-are-going-47975239; KFC https://www.facebook.com/KFCSA/posts/without-your-help-we-wouldnt-be-able-to-make-a-difference-in-childrens-lives-her/892791709545460.

In conclusion, while corporate-social-responsibility campaign initiatives like KFC South Africa's "Add Hope" campaign can play a significant role in social upliftment, they also raise complex legal and ethical questions that must be addressed. By reforming labour and consumer protection laws to account for the unique challenges of corporate-social-responsibility campaigns, businesses can foster more ethical practices that respect the rights of employees and consumers. This article underscores the importance of balancing corporate philanthropy with the need for legal safeguards to protect employees and consumers from undue pressure and exploitation. These recommendations aim to contribute to the ongoing discourse on corporate social responsibility and offer a path toward more responsible corporate practices.