An Investigation into the challenges and benefits for Zimbabwean firms to participate in Corporate Social Responsibility

By

Newman Museve: R0020241

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GRADUATE SCHOOL OF MANAGEMENT: UNIVERSITY OF ZIMBABWE

Supervisor: _________________

Academic Year 2015
DECLARATION

I Newman Museve do hereby declare that this dissertation is the result of my own work culminating from my own investigations and research, except to the extend indicated in the acknowledgements, references and by comments included in the body of the report, and that this dissertation is therefore my original work and has not been submitted or presented in part or in full for any other degree in any other University.

Signature…………………………   Date………………………

Newman Museve: R0020241
DEDICATION

I dedicate this study to my wife and child for their unfailing support during the period I was working on this study.
ACKNOWLEDGEMENTS

Firstly, I would like to express my upmost gratitude to my dissertation supervisor for all the support that he continuously offered during the time of this research work. He has been such a fountain of motivation, encouragement, inspiration and immense knowledge. His inspiration helped me in researching and writing this dissertation. Thoughts of having a better supervisor have never crossed my mind.

In addition, the researcher would also like to express sincere gratitude to the lecturers’ community at the Graduate School of Management for the different knowledge they all imparted during the two years of the MBA program. All such knowledge have helped me in developing and undertaking this research work. Without their different contribution it was almost going to be impossible to produce this dissertation.

I would also like to thank my fellow classmates during these two years of my MBA program. You are all appreciated for the stimulating, constructive and informative discussions, for the sleepless nights spent working together before deadlines, and for the fun we have had in the last two years. Special thanks goes to our class representative AnnahRumbidzaiMuchemwa without whom our stay at the Graduate School of management was going to be very uncomfortable.

Lastly and in particular, I am grateful to Dr. N.Kaseke for the time spent in coaching us how to write dissertation. You are all appreciated, I thank you.
ABSTRACT

The study sought to study the benefits and challenges on the Zimbabwean corporate sector’s participation in Corporate Social activities. Such aspects would have to be studied together with the extent to which Zimbabwean corporates are involving themselves in corporate social responsibility. The level of corporate social responsibilities adopted by corporates will to a very large extend be depended on a number of factors which the study will also seek to highlight. Generally the research will try to bring out how these variables are interacting in the Zimbabwean context to bring out a certain CSR ideology. Importantly the benefits being enjoyed or being missed as a result of different CSR conceptualization have to come out from this study.

In seeking to address the purpose of this research as outlined above, the research adopted a quantitative approach in which firstly the population of this study was identified as all managers of corporates operating in Zimbabwe. Using this population guide, a sample was drawn to constitute those that will be involved in the study. A questionnaire with standard structured questions relating to the variables under study was then administered to this samples. The data responses from these questionnaires were then processed into information that allowed for further analysis and interrogation. Conclusions were then drawn from these findings leading to the formulation of recommendations.

The study found out that although there is a conducive environment for the uptake of CSR in the country, the level of corporate participation remains relatively low. Corporates are not devoting adequate resources to CSR. In addition many have failed to develop codes and principles to drive this phenomenon. Although they seem to want to blame the lack of financial resources for the low level of CSR uptake, the main challenge was the bias towards the need to manage the brand using CSR by most firms. The legal environment also does not have adequate attributes to drive CSR.

The research concluded that more need to be done to encourage firms towards increased CSR involve. This could be through lobbying using professional bodies and the government officials.
The Legislative might also have to be strengthened. Generally management need to appreciate that there are more benefits to the firm in taking up the concept.

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LIST OF ACRONYMS

CSOTs - Community Share Ownership Trusts
CSP - Corporate Social Performance
CSR - Corporate Social Responsibility
EEO - Equal Employment Opportunities
EMA - Environmental Management Agency
IODZ - Institute of Directors Zimbabwe
SPSS - Statistical Package for Social Sciences
SRB - Sustainable Responsible Business
ZSE – Zimbabwe Stock Exchange
CHAPTER ONE

INTRODUCTION

1.1 INTRODUCTION

This research presents an investigation of the benefits and challenges on the Zimbabwean corporate sector’s participation in Corporate Social activities. The increased interest and focus on the subject makes it imperative that Zimbabwean firms also become sensitive to this Global phenomenon. The study brings to the fore the level of corporate social responsibility participation and the motives for such participation by Zimbabwean firms. The extent to which the concept has been taken on board seems to suggest diversity in understanding and appreciation of the subject. The research also establishes the presence of any challenges that are inhibiting the uptake of such a noble principles by Zimbabwean firms. The chapter start by putting the main themes of the study into perspective by presenting a number of introductory paragraphs such as the background, the justification, the research objectives and questions as well as the research scope and limitations.

Corporate Social Responsibility as defined by Jonker and Nijhof (2006) refers to situations where the firm go beyond mandatory compliance and be involved in actions that appear to further some social good, beyond the interests of the firm and that which is required by law. The debate on Corporate Social Responsibility is premised on the concept of building sustainable business models. It has increasingly becoming unacceptable for organisations to enjoy unlimited economic success without regard to the way its business model affects other stakeholders and the environment in general. Organisations are therefore expected to be good citizens in their endeavour to increase their economic wellbeing. Thus, beyond making profits, companies are expected to be responsible for the totality of their impact on people and the planet.
1.2 BACKGROUND TO THE STUDY

1.2.1 CSR from an International perspective

The debate on the role of CSR on the survival, wellbeing and strategy of corporates can well be appreciated when viewed from an understanding of situations that different countries and companies have had to face as a result of CSR issues. Corporates could face a host of economic, social and financial loss as a result of failing to appreciate the importance of this concept. Companies worldwide also had to face up to the different legislative arrangements that had to be promulgated by different governments after noting reluctance on the part of corporates to adhere to these CSR principles forcing many to carry a huge financial burden. In addition to this, the different corporate activities put so much pressure on the external environment to such an extent that the issue of sustainability cannot be guaranteed in the future.

Figure 1.1 The Resource Funnel
Source: Chambers, (2008)

One of the key worldwide publications of the negative effects of the economic activities of corporates on the environment has been the gulf spill of Thursday, 20 April 2010. An
estimated 207 million gallons of oil spilled into the Gulf of Mexico after the Deep water Horizon rig exploded off Louisiana on April 20, 2010. Lots of marine life was lost which could have prejudiced some fishery companies off sources of raw materials. Financial ecosystems could have greatly been disturbed as a result of this accident. That includes expenses for relief well drilling, the static kill and cementing procedure done on the blown out oil well, grants to Gulf coast states and claims paid to people who have lost income or profits because of the spill. BP indicated that the cost to respond to the massive oil spill in the Gulf of Mexico has risen to about $6.1 billion.

Another classical case is that of China. While China was experiencing phenomenal economic growth over the past decade, this growth came at the expense of its environment and public health. Generally, China’s economic progression has been associated with over use of water and electricity, increased land degradation, water and air contamination and raw material depletion all which effectively reduced the people’s life span by 5.5% between 1979 and 2010. Generally there has been increased emission of toxic substances in line with industrial development. Carbon Dioxide has been noted as one of the key emissions that world habitants had to face up with as a result of the industrialisation of different countries.

![Figure 1. 2The Global Co2 Emissions over the Last Century](image)
Source: Kotler and Lee (2005)

1.2.2 CSR African perspective

Although Africa’s industrial emissions have generally been lower than those the developed world, the levels have been steadily rising. Reports from Ghana suggest that mining companies in that country are generally reluctant to compensate the communities displaced to make way for mining operations. In Congo, there are reports of endless conflicts between the communities and the government over the latter’s alleged bias towards the mining companies at the expense of the ordinary citizens. In Uganda and South Africa communities have been trying to get the mining companies to not only accept but implement Corporate Social Responsibility (CSR) as they felt current practices were not adequate. In Nigeria, Oil mining company Shell Nigeria had to face up with huge financial losses in penalties as a result of responding to some oil spill accidents in that country.

While the above paragraphs are indicative of the fact that most corporates around the world seem to be treating corporate social responsibilities issues lightly, there seem to be strong evidence that the concept has now revolved into a strategic business concept. As indicated by the CRS survey report (2010) of Penn, Schoel and Berland Associates, customers and prospective employees are now sensitive to the extent corporates have embraced the concept. Their findings are shown in the table below.

Table 1. Importance of the concept of CSR to corporate strategies.

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>CSR Business Dimension</th>
<th>Importance index (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>General CSR Importance</td>
<td>75%</td>
</tr>
<tr>
<td>Customers</td>
<td>Product Differentiator</td>
<td>55%</td>
</tr>
<tr>
<td>Customers</td>
<td>Health Related Issues</td>
<td>48%</td>
</tr>
<tr>
<td>Customers</td>
<td>Premium Price Enabler</td>
<td>38%</td>
</tr>
<tr>
<td>Customers</td>
<td>Willingness to Purchase</td>
<td>75%</td>
</tr>
<tr>
<td>Prospective Employees</td>
<td>Willingness to Work For Company</td>
<td>70%</td>
</tr>
</tbody>
</table>

Sources: Penn, Schoel and Berland Associates (2010)
1.2.3 Zimbabwean CSR background

If companies were placed on a corporate social responsibility scale, many would be found wanting. Although there is no law compelling companies to be involved in social responsibility activities, members of the community have certain expectations. Many clients prefer to buy products from customers who are involved in CSR programmes. They also prefer to buy products from companies involved in ‘green manufacturing’.

Companies like Econet have been giving out scholarships to underprivileged students under the Joshua Nkomo Scholarship Fund and Capernaum Trust. In the manufacturing industry TongaatHullets, BAT Zimbabwe, Delta and ZIMASCO run social responsibility programmes.

The concept of Corporate Social Investment (CSI) has generally been lagging behind other countries despite several corporate malpractices on the environment. The financial Gazette of July 24, 2014 noted that the City of Harare was threatening to close factories and companies that were polluting the capital’s water sources with liquid toxins. The city fathers claim that most factories and industries in and around Harare do not have waste-treatment systems and drain toxic products, poisons, non-biodegradable substances and organic matter into the environment. The main contaminants are sulphuric acid, caustic soda, ammonium salts, phosphates and sulphates organic substances. Pulp and paper mills, breweries are among the worst industrial polluters, as are textile factories. The complexity of the issue was brought to light when most industrialists responded by pointing out that the city council was also to blame as it was pouring raw sewage into these water bodies.

In addition to these industrial emissions, the mining sector has also had its effects on the environment in which it is carried out. The Newsday of June 26 2013 noted that the mining of diamonds and black granite in Chiadzwa and Mutoko respectively have not brought hope of a better life to local residents but rather fears of cultural and ecological disasters. It was further reported that that a lot of dams in the area are silting as a result of the activity of alluvial diamond mining companies. It has also been reported that Odzi River is being polluted and silted by the operations of Canadile Mining companies. Importantly there were
accusations that these mining activities were depriving people and their livestock of clean and natural water for drinking and other purposes with serious health hazards. Construction sector activities have also greatly contributed to the land degradation that has become a common sight in the most cities of the country. Building has of late been constructed on wetland a development that destabilises the ecosystem of these areas. The drying of Tobacco requires huge quantities of firewood a development that have promoted the distraction of acres of natural forest every year.

Table 1. Different CSR involvement in annual reports.

<table>
<thead>
<tr>
<th>Company</th>
<th>Level Of Alleged Corporate Social Responsibility Involvement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Products</td>
</tr>
<tr>
<td>Euronet Wireless</td>
<td>N</td>
</tr>
<tr>
<td>Jaxaika Zimbabwe</td>
<td>N</td>
</tr>
<tr>
<td>CBZ Bank</td>
<td>N</td>
</tr>
<tr>
<td>Noranda Funeral Services</td>
<td>N</td>
</tr>
<tr>
<td>OK Zimbabwe</td>
<td>N</td>
</tr>
<tr>
<td>ZIMRA</td>
<td>N</td>
</tr>
<tr>
<td>Mondo Diamonds</td>
<td>N</td>
</tr>
<tr>
<td>Delta Beverages</td>
<td>N</td>
</tr>
<tr>
<td>North Zimbabwe</td>
<td>Y</td>
</tr>
<tr>
<td>Tongaat Holcim</td>
<td>N</td>
</tr>
<tr>
<td>BAT Zimbabwe</td>
<td>N</td>
</tr>
<tr>
<td>ZIMASCO</td>
<td>N</td>
</tr>
<tr>
<td>Total Yi out of 12</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Mathibhela (2013)

Corporate practices, might result in resources getting depleted forcing some companies to source raw material from faraway places which might change the level of their profitability and business risk profile. There are also health issues that could affect the available workforce. There increase exposure of the workforce to these industrial emissions is also likely to compromise their health. When this happens the level of absenteeism is going to increase, health insurance over is likely to increase as a result of increased risk, recruitment and training costs are likely to shoot but overall productivity is going to be negatively
affected. Another way of looking at it is to consider how companies would respond to the effect of their activities on the environment. Considering that they take responsibility and accept that they should be responsible for their actions.

In 2003 after realising the impact of the different economic activities on the environment, the Government of Zimbabwe formed a statutory body under the name The Environmental Management Agency (EMA). The body was responsible for ensuring the sustainable management of natural resources, the protection of the environment, the prevention of pollution and environmental degradation. However, the initiative seems to be failing to bring about the required results.

After noting the lack of an appreciation of the CSR concept, the Government tried to come up with community Share Ownership Trusts as a way of bringing communities into corporate decision making. Community Share Ownership Trusts (CSOTs) were meant to address developmental needs of the community. However, these Trusts are either not receiving funds or they are poorly governed to promote any meaning participation in developmental issues. The indigenisation law that allows mining companies to cede 10% shares to CSOTs is not that much compulsory with a lot of way to circumvent and in some instances companies may choose not to cede the 10% as has been shown by companies mining diamonds in Marange. Some CSOTs that have been luck to receive funds in recent years have managed to kick start projects in their communities but allegations of mismanagement of funds is rife within the structures of these CSOTs.

Corporates across the world have generally exerted a lot of pressure on resources, the environment and its inhabitant. In some instances, the impact of these activities has been severe with serious threats on sustainable business models. Some countries however seem to have embraced the concept and there seem to be an understanding of the share responsibility between the government and the businesses in operation. In Zimbabwe however this doesn’t seem to be the case as most CSR only peripheral thereally threat that are imposed on the society by business. The government had to come up with legislative arrangements to at least
enforce good business practices. Overall, there seem to be limited appreciation of the benefits that accrue as a result of good corporate citizenship.

1.3 STATEMENT OF THE PROBLEM

The problem to be addressed in this study is that despite a litany of exhibits that have been outlined in the forgoing paragraphs of the dissertation which ranges from the spillage of cyanide and toxic wastes into water bodies, the emission of industrial effluent into major sources of drinking water, the packaging of alcoholic beverages into fruit juice, the inconsiderate exploitation of both human and non-human inhabits by business, the eradication of natural resources and the unsustainable business models being operated by most corporates in Zimbabwe, little has been done to investigate these corporates with a view of putting an end to these malpractices. Machadu (2012) seem to note the absence of robust CSR research as well as CSR participation in Zimbabwe. CSR should be approached with a view of promoting sustainable future business models. The uptake of the concept at practical level seems to have remained generally weak, mild and unimpressive. The effects of a passive and uncoordinated CSR approach include loss of employees and customers due to health hazard, cost related to restoration costs if anything goes out of line and the bad reputations that could result from negative publicity. According to Mathibhela (2013) the challenge still remains for most Zimbabwean firms to move to levels of social service and exceed the spirit of the profit ethic in line with the economic view of the CSR in pursuit of a higher social responsibility than merely paying lip service to the issue.

1.4 RESEARCH OBJECTIVES

- To ascertain the extent to which different Zimbabwean firms are participating in Corporate Social Responsibilities.
- To appreciate the benefits that could accrue to Zimbabwean firms if they participate in corporate social responsibility activities.
- To understand factors influencing the level and extend of corporate social responsibility participation by different firm in Zimbabwe.
• To understand if there are any challenges inhibiting firms operating in Zimbabwe from participating in CSR.

1.5 RESEARCH QUESTIONS

• To what extend are Zimbabwean firms currently participating in Corporate Social Responsibility.
• What benefits could accrue to Zimbabwean firms if they are to participate in corporate social responsibility.
• What factors influence the extent and manner in which Zimbabwean Firms participate in CSR?
• What challenges if any are faced by firms in Zimbabwe in trying to increase their level of Corporate Social Responsibility Participation?

1.6 PROPOSITION

While there are factors that encouraging corporates in Zimbabwe to take CSR on board, there are a number of challenges that have limited the participation of these corporates in CSR. Resultantly they have not enjoyed the benefits that could accrue from being involved in sustainability issues.

1.7 SCOPE OF THE STUDY

While the research would have been more informative if it would have been carried out across the whole country, it will only be limited to companies operating within a 100km radius from Harare. This was meant to address the challenges of time and financial resources that the researcher had to face up with during the study. It is the researcher’s intention to obtain an understanding of the Corporate Social Responsibility situation across all sectors of the economy including but not limited to the manufacturing, mining, Agriculture, tourism, construction as well as the banking sector. Noting that the business dynamics of the pre dollarization and the post dollarization period are somehow different, the research would like to focus on CSR issues over the past 5 years of the post dollarization period.

1.8 RESEARCH LIMITATIONS
The research will be limited by the time and resource constraints. The researcher is a full time employees who cannot afford the time needed to travel across the country to obtain opinions from all over. The budgetary constraints also put a limit on the extent to which those out of Harare could be involved in the research. However, these limitations did not affect the quality of the research results as effective sampling methods increased the possibility of collecting quality information from key informants which was then used to make generalisation trend in the whole country.

1.9 SIGNIFICANCE OF STUDY

The significance of the study can well be appreciated from both the practical and academic perspectives. In conducting this research, the researcher has noted the absence of concentrated literature on the subject of discussion in the Zimbabwean Context. While there have been a number of fragmented efforts like the study of Kurotwi (2011), Maphosa (2014) and Katedza (2014) to discuss CSR in Zimbabwe, these studies seem to have adopted a very limited scope hence lacked robustness. As a result of these limitations, the researcher is of the view that it is now about time to develop comprehensive literature on CSR in Zimbabwe. In conducting this research, it was in the researcher’s mind that this was just going to be the starting point with more robust research in future expected to do more justice and bring out the benefit of CSR participation for Zimbabwean Firms and the challenges faced by firm intending to participate in the CSR activities.

The study is also going to be of practical relevance to Zimbabwean managers in their endeavour to develop their own CSR models. The research is going to demonstrate if there is any strategic competitive advantage that firms will obtain through corporate social responsibility participation. Reports in other countries are suggesting that key stakeholders such as suppliers, employees and customers have become more and more sensitive to CSR. Such an understanding is going to help organisations to evaluate the necessity of investing in this new concept that have received worldwide attention. If it could be proved that CSR is of such importance in helping firm obtain sustainable competitive advantage, more firms are likely to start taking it as a serious issue rather than the passive approach taken by most firms.
While most firms and managers might have appreciated the importance of this noble concept, there could also be a number of challenges that firms might be encountering in trying to implement their desired CSR models. This study is going to highlight to managerial practitioners the main challenges faced by most firms in their CSR efforts. Such an understanding coupled with an understanding of the benefits associated with CSR participation is going to help managers, communities and lobby groups in developing effective CRS models for the future. The research is likely going to identify key stakeholders in this debate and lay a foundation for their effective engagement if proved necessary.

1.10 STRUCTURE OF THE DISSERTATION

Chapter 1 is the introduction to the research, which comprises of the background of the problem, statement of the problem, objectives of the study, research proposition and justification of the study.

Chapter 2 reviews the literature related to CSR concept and the role on business performance. The reviewed literature will be used in the discussion of the research results.

Chapter 3 presents the methodology on how the study is conducted, the population of the study, research design and sampling techniques adopted, research instruments used, justification of the design, sampling instruments used in the study and the data analysis of the study.

Chapter 4 presents the study findings and discussion of the study findings. These are the findings which form the basis of conclusions and recommendations of the study.

Chapter 5 presents conclusions and recommendations of the study derived directly from the research findings. In addition, the chapter presents the suggested area of further research as shown by the study findings.

1.11 CHAPTER SUMMARY

Chapter one gives the background of the concept of Corporate Social Responsibility in general and how it is being applied by firms operating in Zimbabwe. The chapter also provides background information about the area of study, as well as highlighting the problem
statement and justification leading to the need for a research study. The scope of study is also defined in this chapter. A summary of the whole dissertation structure is provided to give the reader the layout of the document. The next chapter is the Literature review, and this chapter involves an analysis of theory and other prior research findings of the researches that have been already done by other researchers.
CHAPTER TWO
LITERATURE REVIEW

2.1 INTRODUCTION

This chapter presents the literature necessary to support the research on the benefits and challenges of corporate social responsibility participation. The researcher will start by providing a detailed insight into the definition of the concept of corporate social responsibility as provided in the literature. This will be followed by a critical assessment of the concepts and theories underlying the concept under discussion. In addition, there shall be an assessment of the corporate social activities and trends in other continents and countries including Zimbabwe. The charter shall also present the benefits claimed to accrue from participating in corporate social responsibility. The challenges that firms face in their endeavor to participate in corporate social responsibility shall also be presented including factors that encourage other firms to take up the concept more than others.

2.2 DEFINING CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR), also known as sustainable responsible business (SRB) and corporate social performance (CSP), is a form of corporate self-behavior adjustment which get intertwined with the corporate business model (Bhyian, 2009). Coyle (2004) considers CSR as one of Corporate Governance concepts. It is explained as responsibility shown by a company for matters of general concern to the community and environment, in which the business operates, such as protection of environment, health and safety and social welfare. CSR as defined by the Laczniak (2006) means the integration of stakeholders’ interests be it social or environmental into a company’s business processes and operations. CSR is really about ensuring that the company can grow on a sustainable basis, while ensuring fairness to all stakeholders.

According to Sangeetha (2011), the firm’s Social Responsibility objectives should embrace responsibility of the firm's actions on the eco system and promotes a positive impact through its interaction with the environment it operate in, which includes both internal and external
stakeholders and the public in general. Joyner, Payne and Raiborn (2002) also define Corporate social responsibility (CSR) as those categories of the business’s economic, legal, ethical and voluntary activities that an entity adopts towards its community and the environment as a way of contributing towards the values and expectations of the society in which it is accommodated. It was also presented by Abbott and Monsen (1979) that companies should take responsibility for national economic development programs by seeking to improve the quality of life of its workforce as well as that of their families.

Coyle (2004) argues that CSR is a concept that usually overlaps with similar concepts such as that of corporate sustainability, sustainable development, responsible corporates as well as corporate citizenship. Wood (1991) added another dimension by arguing that CSR does not have an universally agreed definition, many see it as the private sector’s way of integrating the three dimensions of economic, social, and environmental concerns of their activities into business decisions. As such, CSR closely resembles the business pursuit of sustainable development. Other would say it in a way of bring together the three components of economic, environment and society as encompassed in the triple bottom line (Frynas, 2005). In addition to being integrated into corporate structures and processes, the concept also involves creating innovative ways and proactive solutions to deal with social and environmental challenges. It also encompasses collaborating with the wider stakeholder community to improve societal wellbeing. Further to this, a study by Dahlsrud (2006) concluded that CSR is mostly characterised by concern for all stakeholders whether their interests are social or economic while being backed voluntariness and environmental concerns as well.

Corporate Social Responsibility (CSR) has permeated management practice and theory up to a point where CSR can be referred to as the latest management fad (Guthey, Langer, and Morsing, 2006). However, so far CSR integration into business processes has been very uneven. Hockerts (2008) for example, finds that most firms conceptualize CSR primarily as a tool to reduce risks and operational cost. Only a minority of firms are actually using CSR as a means to drive business success. Owing to the range of contradicting definitions, and usually confused by varying use of terminology, the notion of CSR has led to the emergence of a variety of practices (Habisch and Jonker, 2005). This development might have resulted from
an absence of an universally agreed definition of what the concept is all about. Kristoffersen, Gerrns and Murphy (2005) noted that CSR literature suffered greatly from an unfortunate lack of a consensus of what it really is. This definition gap might have resulted in a multitude of interpretation in terms of what the specific roles of the firm are regarding the concept. In addition Carroll (1991) seem to have provided a working definition that tried to bring together the economic, legal, ethical and discretionary expectations that societies expect from organisation. This broader definition entails that all aspects of the firm are somehow connected to the concept of CSR although other firms might decide to neglect this responsibility.

Different organizations have framed different definitions although there is considerable common ground among them. Baah and Tawaiah’s (2011) definition explains CSR as, concerned with how companies manage the business processes to produce an overall positive impact on society. To support his definition he used the FORGE group’s (2002) guidance on four areas of impact for CSR to illustrate how business relates to the society.
2.3 THEORIES OF CORPORATE SOCIAL RESPONSIBILITY

According to Carroll (1991) the responsibility of business to society includes the economic, legal, ethical, and philanthropic expectations that communities have for organizations operating in their societies. These expectations could be viewed as the theories of corporate social responsibility. Importantly other definitions of CSR tried to ignore the first two categories of CSR and focus on the last two. The understanding was that one that was held by Kotler and Lee (2005) when they defined CSR as a commitment towards the improvement of communities through discretionary business practices and contributions of corporate resources.

Figure 2. 1 Stakeholders involved in the business operations
Source: Baker (2009)

Figure 2. 2 The Pyramid of Corporate Social Responsibility
Source: Carroll (1991)

2.3.1 Economic Theories
According to Friedman (1962) there is only one social responsibility of business which should be to use its available resources and engage in productive activities which seeks to increase its profits within the confines of the rules of the game. The rules mainly involve engaging in open and free competition with other firms without deception or fraud. Within this view, organizations were viewed as the basic economic unit in society. Its principal purpose was to produce goods and services demanded by consumers and to make an acceptable profit at the end of the day. Beyond a certain point, the concept was transformed to that of profit maximisation. Carroll (1991) further observes that the principle was originally set in terms of acceptable profits but has since been transformed to that of profit maximization. Pointing to the fact that not so well developed countries might align their CSR with the economic view. Nelson (2003) further notes that in countries that are still developing, CSR tend to focus more on the importance of the economic multiplier. Corporates adopting this view of CSR will only engage in CSR activities if such activities are going to compliment the goal of the firm. Such firms are concerned with holding the most competitive position and operational efficiency as means of guaranteeing consistent profits. Barnett (2007) however warned against principle of maximizing shareholder wealth. He contends that it is in itself, not in the interest of shareholders as excessive financial performance reduces the ability of a company to influence its stakeholders.

2.3.2 Ethical Theories

Porter and Kramer (2006) define ethics as a process of determining conduct were at one extreme there is doing good and on the other there is the avoidance of evil. Drawing from this perspective, Ethical responsibilities include those activities, approaches and practices that are expected or prohibited by society even though they are not formalised into formal law. Ethical responsibilities embody those standards, norms, or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders' moral rights. Gummesson (2006) presents that Business Ethics refers to the application of ethical guidelines to business decisions. Business adopting ethics in their Corporate Governance are surely taking some social responsibility in addition to the basic economic function of business organisations. In some instances such ethical values and norms may set relatively higher standard of
performance than those currently provided by law. Ethical responsibilities in this sense are often ill-defined or continually under public debate as to their legitimacy.

2.3.3 Legal Theories

Authors such as De Schutter (2008) argues that the existence of the perfect markets and the business environment for effective CSR involvement cannot be assumed but rather should be affirmatively created by a regulatory framework for CSR. In its simplest form, the legal view of the CSR theory focuses in the obligations society places on business through different statutory and Legislative provisions. Bringing out the role of societal expectations, Freeman (1984) and Krumeisk (1997) argue that the role of government increased in the 1970 as the public became more aware of social issues. Corporates taking this approach to CSR are therefore reasoning that in addition to being economic units, they are also contributing to social needs. Christensen and Murphy (2004) asserts that corporate tax avoidance is one of the most common and significant sign of irresponsible business behaviour. Mostly this behaviour tend to contradict most companies CSR claims of good corporate citizenship. Phillips, Freeman, and Wicks (2003) however oppose such view and claim that CSR involvement and the management of stakeholder relations should continue to be voluntary. The dangers of this view are that it prescribes only the minimum expectations without regards to developments on the ground (Zadek, 2004).

2.3.4 Philanthropic Theories

According to Ofori (2005) philanthropy is basically all those organisational deeds and actions done in direct response to the societal expectations that corporates should be good corporate citizens. This includes all those corporate social activities aimed at promoting the general human welfare and the environmental good will (De Schutter, 2008). The logic underpinning this theory is that corporates should sacrifice their financial resources as well as executive time to community in enhancing developmental activities such as arts and education (Ofori, 2005). On the other hand, philanthropy activities are to a large extent discretionary and
voluntary despite the existence of expectations as well. According to Visser (2005a), philanthropy is purely in the context that corporates later realised that there will be limited chances to prosper in a deteriorating society. In that vein, philanthropy was seen as the most direct way of increasing the prospects of communities in which businesses operate in. The theory underlines the fact that although the concept is voluntary, it provides a clearer link of societal corporate contribution unlike the rest of the theories that have a hidden approach to the concept.

2.3.5 Stakeholders Theory

Stakeholder theory was expanded by Donaldson and Preston (1995) who stress the moral and ethical logic behind of CSR, as well as the justifications for businesses engaging in such activities. Stakeholder theory implies that it can be beneficial for the firm to engage in certain CSR activities that non-financial stakeholders perceive to be important, because without these, such groups might withdraw their support for the firm. This is crucial in that it extend the CSR concept beyond the economic theory. Other peripheral stakeholders who have a very minimum financial interest in the affairs of the firm might hold the keys to the success of the organisation. The principal of stakeholder analysis becomes part and parcel of the firm’s strategy formulation process. But however, there are some contradictions in the economic theory and legal theory.

2.4 PRINCIPLES OF CSR

The diversity of definitions of the concept of corporate social responsibility has brought about some uncertainties regarding its specific nature (Crowther and Aras 2008). Rather than focusing on the definition, it therefore becomes imperative to focus on the activities that are actually involved. Importantly it is the underlying principles that are important as all these CSR activities are not just activities in isolation but rather means to some ends. Woods (1991) speaks about the principle of legitimacy, the principle of responsibility and the principle of managerial discretion. While also important guiding principles in the quest to push for CSR, these principles are slightly different from those of (Crowther and Aras, 2008). Their three principles include sustainability, accountability and transparency.
Generally corporates should ensure that they undertake their operations in a sustainable manner, they should be answerable and take responsibility for their actions while keeping societies informed about the impact of their action on the environment and the society at large.

2.5 BENEFITS OF CORPORATE SOCIAL RESPONSIBILITY

Contrary to the generally held perspective that CRS put pressure on organisations’ financial resources, there are actually a lot of benefits that could accrue to firms as a result of this involvement. Sangeetha (2011) explains there are several benefits of CSR involvement by different business units. According to Hopkins (2004) CSR implementation will result in increased costs but the resulting benefits will far outweigh the costs. Furthermore, Porter and Kramer (2006) believe billions of dollars currently being used on CSR related activities would generate far increased benefit to business, the environment and the society. There is however a need for the adaptation of the right approach which ensures consistent investment through an all-encompassing approach that brings CSR into the core business operations and strategy (Branco and Rodrigues, 2007). Porter and Kramer (2006) further note that CSR can be used as a marketing strategy to publicise the company’s products and profile to the general public.

There are clear indications for opportunities for corporates to build sustainable competitive advantage along corporate social responsibility involvement. This have always been the case even with early CSR debates, the issue have always been that, by being involved in CSR, businesses would be improving the societal environment in such manner that their long-term self-interest are also taken care of. Branco and Rodrigues (2007) note that the concept of CRS has evolved from being regarded as detrimental to a company’s financial performance, to being considered as beneficial to the company as a whole especially in the long term.” Perhaps the initial resistance to calls for corporate organisations to contribute to CSR was premised on the claim that corporate organisations as profit-oriented enterprises ought and should not inherit responsibilities that are foreign to their legitimate mandate.
Kurucz, Colbert and Wheeler (2008) presents a very interesting classification of the benefits of the CSR involvement out of the multitude of these benefits. They classify them into cost and risk reduction, competitive advantage attainment, company legitimacy and reputation, and finally the creation of a win–win situations for the company and society.

2.5.1 Cost and Risk Reductions

Uptake of threshold level of CSR can help to reduce the demands that stakeholders place on the firm as some of these demands if they become excessive can present huge threats on the organisation’s survivals and viability (Kurucz, Colbert and Wheeler, 2008). Smith (2005) argues that CSR activities in the form of equal employment opportunity (EEO) policies and practices and environmentally responsible commitments enhance long-term shareholder value by reducing both costs and risks associated to business. He argues that clear EEO statements are necessary to illustrate an inclusive policy which reduces employee turnover through improving morale. It was further presented that there are also opportunities for cost and business risk reduction by embarking on environment focussed corporate social responsibility activities. Such benefits accrue through reduced current and future compliance cost. Where legal boundaries are not observed, corporates might have to face up to huge environmental penalties (Zadek, 2004). According to Berman, Wicks, Kotha and Jones (1999) CSR activities focused on reducing cost and business risk can also be directed at managing the firm’s relationships with its stakeholder community.

Werther and Chandler (2006) note that generally CSR improves the effectiveness of managing issues such as legal, social, economic, governance, environmental, and other risks in an increasingly complex market place. The improved oversight and wider stakeholder scrutiny of corporate processes, can improve the security of overall market as well as improve its stability. Being sensitive to the interests of other parties that are affected by a firm’s activities is one way of improving your anticipation and management of business risk. Porter and Kramer (2006) asserted that a firm is vulnerable to the weakest link in its supply chain. In
that vein, like-minded companies can form strategic alliances by improving standards, and thereby reducing business risks.

2.5.2 Competitive advantage attainment

Hillman and Keim (2001) note that CSR enhances the ability of firms to recruit, develop and retain staff. This could result from pride in the company’s products, services and practices, or that of introducing better human resources practices, such as “family-friendly” policies. It can also be the result of programs and activities aimed at improving employee morale and loyalty. Werther and Chandler (2006) further notes that employees are not sources of ideas for improved performance, but can also be champions of entities for which they are proud to work for.

Drawing from a diverse stakeholder can be a rich fountain of ideas on new products, processes and even markets which all results in competitive advantages (Hoppe and Grube, 2001). A firm may become certified in terms of environmental and social standards so it can become a supplier to particular retailers. The idea of good business practices has always been one of being alert to trends of innovation and then responding to market trends. Increasingly advertising trends and campaigns are focusing on the environmental or social benefits from products. Albinger and Freeman (2000) argue that benefits of CSR include allowing firms to differentiate themselves from their competitors and raising its profile amongst its stakeholders allowing it to build their own corporate loyalists.

In order to attract and continuously retain customers as a way making long term profits, corporates are continuously searching for new ways to creating value and differentiating their offerings (Shaw and Ivens, 2002). However Gummesson (2006) criticizes this narrow focus of the corporate as being centred only on marketing. He argues that this was an exaggerated and over simplistic reliance on a free market economy principle. The marketing concept of customer needs and satisfaction seems to be the highway to profit maximization in the short term. Profit or shareholder value to be regarded the only purpose of business. Gummesson

### 2.5.3 Organisational legitimacy and reputation

Organizations that perform well with regard to CSR can build their own reputation, while those performing poorly can damage their own brand and company value (Hillman and Keim, 2001). Brand equity, is founded on values such as quality, trust, reliability, credibility, and consistency. Even for organisations without direct retail exposure through brands, reputation for tackling CSR issues and concerns as a supply chain partner whether good or bad can be crucial commercially (Schmidheiny, 2006).

Kotler and Lee (2005) came up with a model framework linking the concept of CSR to organizational reputation and performance. The framework conclude that CSR programs affect stakeholders’ cognitive thinking that then change their behavior in ways indicative of sympathy to the company’s overall financial interests. CSR activities have been suggested to incorporate social aspects or features into products, services and manufacturing processes, adopting progressive and friendly human resource management practices targeting higher levels on environmental performance through recycling and pollution abatement, aggression in terms of reducing emissions and being considerate to the goals of community organizations and Non-Governmental Organizations (NGO) (Zadek, 2004).

### 2.5.4 CSR and Financial Performance

Waddock and Graves, (1997) explanations the existence of a positive relation between CSR involvement and financial performance through an evaluation of the effects of not acting in a socially responsible manner. They went on, if corporates try to reduce the direct costs by acting in an irresponsible manner, they could probably increase the explicit costs coming from forcing a non-efficient condition. Corporates focusing on the concept of CSR strengthen their relations with stakeholders that at the same time improve the overall financial performance. Third explanation follows the theory of scarce resources as provided by Nelson (2005) who identified the adoption of responsible social behaviour as consequence
and not cause of performance improvement. The idea is that during a positive current trend it is likely to have less limited resources: it comes out that some of these resources can be liberated in secondary parts as the CSR.

Corporates that focus on improving their working conditions and labor practices are likely to experience improved productivity as well as reduced error rates (Kurucz, Colbert and Wheeler, 2008). Regular systems of controls in most production facilities ensure that employees work under human conditions and able earn living wages (Baah and Tawaiah, 2011). Such practices are expensive, but the improved productivity of workers and improved quality of the products generate positive cash flows that cover the associated costs. According to Nelson (2005) socially responsible behavior brings about increased benefits through high employee morale which effectively leads to increased productivity.

However, in many cases, the time frame of the costs and benefits are mostly out of alignment with costs being immediate while benefits often realised in the future (Kurucz, Colbert and Wheeler, 2008). Even though many benefits can be identified including enhanced brand image and reputation. Consumers and the general stakeholder community are often attracted to brands and corporates with good reputations in CSR. Such a company can also leverage and benefit from its reputation within the business community by able to attract investors whenever there is need to raise capital (Loimi, 2003).

Corporates with firm financial performance are likely to have more resources to invest in CSR practices, activities and performance. This would include activities such as employee relations, environmental issues, and community relations and programs. Financially sound corporates can afford to focus on investing in projects with long-term strategic impact, such as community services provision and employee welfare (Thompson and Smith, 1991). Such sacrifices may be strategic for a better public image and improved community relationships as well as improved ability to attract skilled employees for the organisation.
2.6 CHALLENGES OF CORPORATE SOCIAL RESPONSIBILITY

According to Heinze (2005) the articulation of the perceived benefits of adopting the concept of CSR, there seem to be a lot of reasons why such a concept should be quickly embraced by all corporate leaders across the breadth and width of the world. Baah and Tawaiah (2011) point that the trends the diversity of such in these issues seem to suggest the presence of some challenges. These challenges could be imposing some constraints to the way and manner in which corporates are adopting the concepts, limiting them to focusing on certain aspects of the concept while avoiding certain aspects.

2.6.1 CSR Knowledge and Understanding

The level of knowledge and understanding held by corporates and their respective managers seem to be a major challenge in corporate Social responsibility participation. The traditional and narrow view of CSR sees business as primarily concerned with the profit generation of maximization. Friedman (1983) prominently represents this position and Levitt, (1983), notes that the doctrine is a well-disguised bid of managerial irresponsibility. In this regard the contribution of corporates in the elimination of society’s problems is seen as likely to reduce the profits and consequently the return on investment of shareholders. Any manager making such contributions is neglecting their fiduciary duty to their owners and is in breach of their contractual obligations. According to Henderson (2001) CSR participation have a number of associated negative consequences which all effective compromises the ability of the firm to achieve its primary objective of maximization shareholder’s wealth.

Furthermore, Friedman (1983) argues that organizations spending on solving social problems are engaging in activities not the responsibility of their prerogative but the responsibility and obligation of governments. Corporate managers who spend funds for social welfare are therefore acting like governmental decision makers but without being elected to legitimize them. Therefore, the concept of CSR is a subversive concept that imposes responsibilities on the corporation which should best be addressed from a political office. Friedman (1983) went on to say since government taxes corporations, it would amount to double taxation if managers of corporate organizations were to contribute towards solving society’s problems.
All the authors above seem to be suggesting that managers will only be involved in this concept to the level they understand the meaning of the concept. Smith (1991) further notes that those managerial practitioners who concede and embrace the necessity for the adaptation of the broader CSR view are helping to propagate ideas that seek to damage to the doctrines of capitalism.

Thus, Friedman (1983) would not approve of the actions of managers of corporate organizations who, for philanthropic reasons, decide to illegally apportion investors’ profits to provide food to starving members of the community unless if doing so helps in the maximization of profits for the stockholders.

2.6.2 Leadership Challenges

The debate in this paragraph is all about the leadership at the apex of our corporates. Some have a good ability in understanding and discerning how they can use CSR to stir their organizations towards the desired objectives (Hillman and Kein, 2001). Helping society out of organization’s free choices might even in return, help the concerned corporate organizations to gain a good reputation and acceptance within their communities (Baah and Tawaiah, 2011). According to Heinze (2005) such actions consequently enhance businesses fortunes. Besides the need to make profits, organizations also ought to be eager to help out society when need arises.

Leadership is all about identifying or creating opportunities that could help organisations in obtaining competitive advantage (Hillman and Keim, 2001). They note that CSR enhances the ability to recruit, develop and retain staff. This aspect is crucial in industries that require specialised skills while such skills are in short supply. This view or its extent has been questioned as being primarily underpinned by selfish motives, and not for the interest of the welfare of the society. Kant (2002) condemns the morality of corporate philanthropy that takes the concepts of CRS as a mere means to the promoting the business fortunes.

2.6.3 The Brand Agenda

The concept of CSR could be taken as a means adopted by corporates to the desired organisational goals rather than an end in itself (Kant, 2002). Given the contemporary
business environment, talking of genuine show of CSR is nothing more than an illusion. Accordingly contemporary business operations and their CRS participation are never truly inclined towards genuine concern for public welfare. While this is a good thing to do, the overall concern is however simply to ensure the existence of a conducive environment to make or maximise profits (Mcguire, Sundgren and Shneeweis, 1988). Corporate organisations’ quasi-philanthropic involvement and activities are therefore not aimed at addressing the interest of the public but rather manipulate the community and enhance the firm’s economic grip on the market and in total sink with the economic view of CSR as outlined by Caroll (1991). What organisations might be hopping for is that communities support their supposed ‘philanthropic’ endeavours accepting to do business with them.

Carroll and Shabana (2010) gives four views on CSR one of which notes that …strongly-profit motivated firms may engage in socially responsible behaviour. He continued that once they attain their desired financial targets, they then turn and appear as if social responsibility is such an important goal even though they are so clear that it is not. Corporates adopting this approach will seriously be hiding their brand promotion agenda behind CSR. Their CSR involvement is usually in those areas that were the potential to immediately attract the attention of the wide stakeholder community (Blowfield, 2005). The impact of their process on the environment of the genuine CSR concerns of the communities is the least of their worries.

2.6.4 Financial Performance and Constraints

Waddock and Graves, (1997) assume that companies with a responsible behavior may have a competitive disadvantage because they bear unnecessary costs. These CSR costs, will be falling directly on the bottom line, hence would resultantly reduce shareholders wealth. Sangeetha (2011) fix two separate cases that might justify a negative report. Firstly there is a trade-off, similar to the one just presented. As a result of producing in a socially responsible manner, firm resources are consumed and this creates disadvantages for more responsible companies. Secondly, Managerial opportunism recognizes in the pursuit of managerial and personal aims the final result reachable by a company (Krumsiek, 1997). When an enterprise is performance well financially, managers usually cut social costs with the intention to increase
profit (Fernando, 2009). As soon as the performance starts going down, managers tend to justify such poor results by investing in CSR.

The risks emanating from CSR could be grouped into three broad categories which are corporate governance, environmental aspects, and social aspects. Companies adopting the principles of CSR are more transparent and have reduced risks of bribery and corruption. They also tend to implement robust quality and environmental controls in addition to having a less risk of having to call back defective products or pay heavy fines for excessive pollution.

According to Blowfield (2005) some environmental initiatives require upfront investments in order to achieve environmental goals and realize cost-savings; these costs have to be incorporated into the financial plan models (Industry Canada, 2014). Whilst profit may be the end goal for any business, socially responsible entities have attracted capital, reduce risks and addressed stakeholder concerns.

2.6.5 Pressure Groups and the Legislative Framework

Corporate social responsibility may reduce governments’ motivation to fulfill their responsibilities to their citizens and potentially foster communities’ dependence on corporations. According to some critics, this dependency is cause for concern for two reasons. Firstly corporations lack the democratic credentials to serve the public good (Crook, 2005); and secondly market forces, such as competition, limit a corporate executive’s ability to manage a corporation in the public interest (Coyle, 2004).

Corporate executives are not qualified to make decisions about the community and the environment; therefore these decisions should be left to those who are qualified, namely elected government officials (Coyle, 2004). Similarly, Blowfield (2005) remarks that if poverty is a result of political, social, or economic structure, rather than an issue of capacity, opportunities and access, then CSR is not likely to provide a solution. For example, critics question whether issues of land rights and resource distribution can be reduced to a corporation’s improvement of their social and environmental performance in a region.
The objectives of corporations and development organizations are often conflicting or incompatible (Blowfield, 2005). Doane (2005) maintains that it is difficult for the market to deliver long-term social benefits because the short-term demands of the stock market provide disincentives for doing so. For example, if corporate executives are obligated to maximize shareholder profits, it is difficult for them to justify corporate expenditures on community development or the environment if these expenditures reduce profits. While most critics do not deny that some corporations have managed to simultaneously deliver long-term social benefits and short-term financial returns, others argue that these cases are the exception, rather than the norm. Moreover, it has been noted that CSR often only addresses the social and environmental issues that business is willing to accept as negotiable (Blowfield, 2005).

2.6.6 The industrial Structure

The industrial structure refers to the number of players in a particular industry and to the competitive behaviour of these players in response to other players’ actions (Baumal 2002). In competitive industry, there are many buyers and sellers all buying and selling a homogeneous product. Corporates have to stand still and fight for business from potential consumers. While this is referred to as the most ideal competitive environment as it exhibits certain key industrial characteristics that are beneficial to consumers, it also so seen as the one that effectively promotes CSR (Albinger and Freeman, 2000). As the competitive space increasingly become scarce, firm find other arena to differentiate them. Albinger and Freeman (2000) argue that benefits of CSR include allowing firms to differentiate themselves from their competitors and raising its profile amongst its stakeholders allowing it to build their own corporate loyalists. As the industrial structure moves towards a monopoly, there cease to be increased pressure to differentiate one firm from the other reducing the unsolicited desire of firm to willingly undertake CSR. Such industries need to be strongly guided by legislations. According to De Schutter (2008) the business environment for effective CSR involvement cannot be assumed but rather should be affirmatively created by a regulatory framework for CSR. The need for this increases in Monopolistic environments those competitive business environments.
2.7 FACTORS INFLUENCING CSR INVOLVEMENT

Coldwell (2001) asserts that businesses contribute fully to their communities and societies if they are socially responsible in addition to being operationally efficient as well as operating profitably. The diversity of definitions on the concept of CSR as provided in literatures points to the fact that CSR approaches differs from time to time as well as space. (Richardson, Welker and Hutchinson, 1999) notes that Corporate Social Responsibilities factors for specific CSR interventions vary over time and are depended on the nature of specific companies. The above paragraph is pointing to the fact that there is specific consideration which could be internal or external that influences the adaptation of a specific CSR approaches by different corporates as articulated below.

The rationale for CSR can be based on the moral, rational and even an economic argument (Werther and Chandler, 2006). Campbell (2007) is presented conditions under which organizations will move toward CSR. Ways of describing the rationale vary, from the more skeptical view of cause-related marketing to a more generous attribution of genuine socially responsible business practices (Kotler and Lee, 2005).

2.7.1 Corporate and Managerial attitude

The fact that most CSR practices are non-legal and mostly voluntary means, there are big chances that the firm’s CSR engagements are likely to be influenced by the management and firm specific attitudes towards CSR. According to Windsor (2001) some corporates may just have a proactive attitude towards CSR issues irrespective of the absence of any specific external pressure or any legal provisions requiring that it act in a particular manner (Richardson, Welker and Hutchinson, 1999). Commonly so, it is also possible for certain corporates with publicly known and acknowledged CSR related challenges to just take no action on these challenges. The differences between these two extreme approaches to this concept mainly arise from differences in managerial attitude towards the concepts which manifest itself as corporate attitude to CSR. In line with Richardson, Welker and Hutchinson, (1999)’s arguments that CSR changes from time to time, it could be this shift in managerial attitude, either as a reflection of managerial thinking or the coming in of new managers with
a different attitude to the concept. CSR involvement might increase or decrease with changes in the leadership set up.

### 2.7.2 Organisational Size

Smith (1991) seems to suggest that there is a close link between a firm’s size and its CSR involvement. His study found that heavy manufacturing corporates especially those in smelting and chemical production have more pressure exerted on them regarding their CSR activities than other small corporates. This comes from the fact that most of these large corporate are perceived as having more environmental footprints which are commonly harmful to the natural environment and its inhabitants. For such firms there is more scrutiny and the negative behaviour receive amplified publicity. Such corporates then tend to be more responsive to the issues and their CSR is generally on the high side (Roberts, 2003). However these factors have to be considered in light with other factors as well. This is especially so when we consider the fact that corporates of the same size and in similar business might adopt different CSR policies. One is then attempted to think these differences arise from the differences in managerial attitudes (Richardson, Welker and Hutchinson 1999).

### 2.7.3 Industrial Norms

Organisational size as explained above has a close link with industrial norm (Tilt 1994). There is evidence suggestive of the strong linkage between the size of the firm and specific industries norms as factors influencing CSR participation. There are industries that are more sensitive to CSR issues than others for example larges firms in the oil and gas sectors seem to undertake increased CSR activities than those in less sensitive industries such as the retails industry (Vargo and Lusch, 2004). It appears there are industrial norms that generally govern the CSR conduct of these corporates. Firms in particular industrial are then expected to move towards a certain directions mostly as dictated by the market leaders of that particular industry. There could be unwritten basic minimum standards of adherence which if unobserved might cause the business (Berman, Wicks, Kotha and Jones, 1999).

In addition, there is a notable relationship between the size of the firm and industry on the one side and the level of environmental and social disclosure (Crane and Matten, 2007). This
points to the fact that firm size factor is most prominent in sensitive industries. In line with the same argument, minimum firm size effect was observed in less sensitive industries like financial services. Joyner, Payne and Raiborn (2002) present that small corporates seemed to have a better appreciation of the concept of corporate social responsibility than large organisations.

### 2.7.4 Corporate Ethics

Organisational Ethics also seem to influence CSR involvement of different organizations. Ethical considerations can guide a firm or organization to act in a certain way without any external pressure or legislative constrain. Joyner, Payne and Raiborn (2002) conclude that people believe corporates are amoral. However and in line with societal expectations, businesses seem to be exhibiting some moral behaviour. In fact corporate leaders are starting to realise that comprehensive CSR policy help organisation to yield some market benefits as well as competitive advantage (Ogrizek 2001). This realisation has seen most corporates trying to align all their business process to societal expectations in terms of CSR. The level of the corporate ethics or understanding will then determine the extent to which a corporate gets involved in corporate social responsibility issues (Ogrizek 2001). Organisations with weak corporate ethics will stand and watch when communities are subjected to some uncomfortable conditions because in their belief they have no duty beyond their economic and possible to some extend their legal obligations.

### 2.7.5 Legislative Provisions

When society is faced with a new challenge or problem that threatens the perceived ways of life conduct, a new legislative provision is introduced to try to protect the society from expected future reoccurrence of such a challenge (Romano, 2004). In America, history witnessed the introduction of the Oxley Sarbanes Act (2002) as a result of the perceived acts of irresponsibility on the part of management in the Enron scandal. In terms of CSR terminology, the scandal might have resulted from the way management had narrowly defined its stakeholder. While some of the actions were not illegal, they were certainly unethical. In jurisdictions where there are no minimum legal provisions, there are good
chances that corporates may overstep their boundaries just like what the executives of Enron did (Romano, 2004). The same understanding was in the minds of officials of the South Africa government when they

2.7.6 Profitability or Financial Performance

Financial resources and performance also has an influence on CSR. According to Wood and Logsdon (2002) within economic sector grouping, the financial variable that most strongly influences or correlates with CSR is the firm asset age. This meant that firms with older assets have lower CSR ratings. According to Mcguire, Sundgren and Shneeweis (1988) could not confirm the existence of any relationship between a firm’s financial performance and the respective firm’s CSR involvement. Interesting, the effect of this factor can become clearer when viewed from the different CSR categories as given by Caroll (1991). The economic, legal and ethical perspective of CSR might still be fulfilled even if the firm is not performing well. Usually it will be the philanthropic perspective that tends to suffer most in periods of financial fortunes decrease.

Through the application of this wider focus to decision-making, businesses are able to take into account hidden costs and unrealized opportunities in their business, investment and purchasing plans (Laasch and Conaway, 2014).

2.7.7 Pressure Groups

Stakeholders of banks in Oman are united in agreeing to the fact that presence of NGOs, independent social private organizations as a factor to boost the bank’s involvement for social cause (Shin, 2014). The situation could be viewed from two angles. The first one being the fact the banks are specialized in being involved in business related issues rather than from only its service to customers. From this view, the presence of social and non-governmental organizations in the country has allowed the banks to set aside the funds for CSR (Welford, 2004). In addition, these banks have nominated social organizations to manage these social responsible activities as agencies of the banks. Such an approach have eliminated the risk of banks focusing their efforts on wrong beneficiaries with their CSR programs including the
avoidance of the difficulties faced in identifying the most appropriate recipients. Another way is to appreciate that there will always be pressure exerted by social organizations to push corporates towards sponsoring social and charity programs. Jonker and Nijhof (2006) studied the interaction between NGOs and companies. It is mentioned that there is close interaction between social/nonprofit organizations with the companies in the area of CSR. This research has identified the three principal factors i.e. presence of nongovernmental organizations and social organizations, good corporate governance system and diversity of the workforce to predominantly influence the CSR activities of banks (Jonker and Nijhof, 2006).

2.8 CSR TRENDS IN SELECTED COUNTRIES

An analysis of the CSR trends and practices in different parts of the world will help the researcher in appreciating what CSR activities are engaged in by corporates in different parts of the world. Crucially it will be important to picture the factors that have motivated the trends in all these parts of the world. The researcher will try and understand the situation in Zimbabwe in comparison to all these other continents including drawing logical conclusions on why these gaps could be existing.

2.8.1 Nature of CSR in Europe and America

According to Baah and Tawaiah (2011) the economic contributions of companies in Europe, take a more development-oriented approach to CSR. Such an approach focuses on availing an enabling environment for responsible business. Romano (2004) concurred to this by suggesting that philanthropic responsibility in European countries tends more often to be compulsory. There are legal frameworks rather than discretionary acts of successful companies or rich capitalists as in the United States. Ethical responsibility was noted to enjoy a much higher priority in Europe than the United States. Liomi (2003) identifies key drivers of CSR in the West which can be divided into internal and external factors.

According to Löhman and Steinholtz (2004) customers have been noted as the main CSR driver for Western companies. Customer requirements have tended to be strong and the increased competitive pressure has driven companies towards increased creation of new values. To be able to build effective competitive advantage, companies are now seeking to
understand their social roles in society and more and more consumers are requiring that companies produce responsible products and principles that are of value to the consumers. According to the Cone Corporate Citizenship Study (2002) more and more Americans seem to be making economic and employment decisions in such a manner as to reward corporates supporting community needs. This trend seems to have been provoked by the scandals in the corporate world including the Enron collapse and the WorldCom financial situation. Visser (2007) explores how corporate social responsibility has evolved in the West in response to a combination of factors influencing CSR.

The West seems to have progressed well through all the levels of Corporate Social responsibility as articulated by Caroll (1991) in the CSR pyramid. It would appear that the period before the industrial revolution was characterized by the economic view in which corporates where mainly concerned about those aspects that would improve the bottom line. With time, the increases in industrial affluent coming from the industrial revolution witnessed increased pressure from civic groups a development that resulted in increased Legislative guidelines. Today CSR is such a strategic issue with most firms now reporting their CSR involvement in their annual reports (Baah and Tawaiah, 2011).

2.8.2 CSR trends in Asian Countries

According to Fernando (2009) Asia generally legs behind the West when it comes to the social side especially Human rights and the employment practices. As a result International initiatives in line with CSR have not had that much impact in Asia. In Asia most of these initiatives are not viewed as international but rather as rather Western focused. Noting the fact that international initiatives will still have a role to play, it should always be kept in mind that many countries in Asia prefer to have their own local versions of these CSR initiatives. Customized adaptations of international CSR standards and initiatives are likely to yield positive results. As a result of this disposition, Asian companies remain generally reactive rather than proactive when it comes to CSR issues (Roche, 2005). According to Moon (2002) there is minimum adaptation of the CSR concept with the majority of them seemingly trying to internalize their way of doing business. This to a very good measure to portray a scenario that is predominantly preoccupied with the Economic View of the concepts as articulated by
Caroll (1991). Such initiative as evident in business engagements including supply chain management, human Resources as well as industrial relations.

Even within the continent itself, CSR responsibility approaches have remained different from country to country pointing to the fragmented understanding of the concept (Fernando (2009). The strong cultural standards in these countries have meant that CSD initiatives have greatly been sensitive to most host country’s specific cultural situations. As a result CSR practices remain greatly different from country to country (Jones, 2000).

China has witnessed much increasing CSR interest from the government resulting in the development of a number of CSR guidelines and initiatives, Hongmei Li (2009). The government has noted the gap created by the relaxed economic approach to the concepts. Over the years, corporates have exploited the resources and polluted the environment of China he continued. The country presently has some of the most polluted cities in the world a development that have threatened the sustainability of its economic growth agenda. Yin and Gefei (2008) presents that the government increasingly tabled about CRS guidelines and initiatives. The year 2006 saw the broader public in China beginning to be aware of CSR with regard to business performance and other behaviours of multinational corporations. This new realisation forced some MNCs to a ascend to a document titled Chinese Corporations CSR Declaration in Beijing, pledging their to commitment to CSR (Yin and Gefei,, 2008)

In Hong Kong, the increasing demand by NGOs has improved CSR initiatives from mostly large listed companies. Within that country, some companies have taken the global leadership on CSR, while others remain lagging behind. This has also been the case in countries like Malaysia and Australia where significant leadership on the concept of CSR have been inspired by stock exchanges. The same with a country like Vietnam, leadership on the concept came from the Chamber of Commerce working together with the United Nations Development Initiative. Singapore’s concept of CSR is a tripartite one including the business community, government and trade unions. While there seem to have been some regulatory force or external pressure in most of these countries, Japanese companies, have been leaders
on CSR issues especially those related to environmental initiatives. A huge number of voluntary initiatives are apparent when one considers CSR in India. Bangladesh introduced tax exemptions for corporates engaging in CSR programmes and in Sri Lanka there has been an emphasis on CSR in small enterprises and linking CSR initiatives to peace in the country (Yin and Gefe, 2008). That is not to suggest that everything is positive. There is still a huge confusion between CSR and philanthropy which is probably best exemplified by many of the business practices in the Philippines. In Pakistan, research has shown a very poor understanding of CSR in the private sector. Governance has been a focus in Thailand but other aspects of CSR are under-developed. In Indonesia, highly controversial laws covering CSR have been enacted and are now being opposed by businesses who accuse the government of merely introducing a social tax.

2.8.3 The Nature of CSR in Africa

In developing countries, CSR is different in its typical manifestation when compared to the developed world. According to Visser (2005)’s study of CSR in African countries, CSR follows certain characteristics including that they tends to be more informal and that they are often not institutionalized in line with the CSR benchmarks commonly applied in developed countries. This is shown by the absence of CSR codes, standards, and management systems and reports mechanisms. In few cases where formal CSR is practiced, this is mostly by large, high profile companies, especially those interested in protecting their recognized international brands or those fighting to attain global status (Tang and Li, 2009). Where formal codes, standards and guidelines on CSR are in place, they usually tend to be issues specific for instance on HIV and fair trade. In Africa, Just like in most developing countries, CSR tend to be mostly associated with philanthropy and charity with emphasis being placed on the importance of making economic contributions.

The most valued economic contributions are investments, taxes, job creation, and technology transfer. More often than not, corporates finds themselves engaging in the provision of social goods and services which are generally government responsibilities in developed world. It can therefore be argued that Ghanian corporate leaders have a positive attitude towards CSR and these attitudes are mainly influences by individual and societal values. It was further
noted that while this was the case, their engagement in CSR was primary to enhance their corporate success prospects and the wellbeing of the society to a lesser extent. Nelson (2005) notes the absence of comprehensive policy framework setting out CSR activities in Ghana just like in most African Countries.

CSR trends in Africa cannot be greatly divorced from the continent’s socio-political development process, often driving business behaviour more towards integrating social and ethical issues (Vargo and Lusch, 2004). In South Africa, the political transformation towards democracy and the process of redressing the apartheid injustices have had their influence on CSR.

2.8.4 The Zimbabwean Situation

Machadu (2012) establishes that many corporates and companies in Zimbabwe are not well involved in CSR a development arising from a number of factors. He went further to notes that if these companies are to be ranked using corporate social responsibility scale, most of them would rank very low on this aspect. Mathibhela (2013) argues that many of the corporates in Zimbabwe do not traditionally embrace and engage in areas of public welfare. According to Mukusha (2012) the 21st century demands that corporates including those operating in Zimbabwe implement CSR in an attempt to ensure corporate sustainability. This is in conformity with De George (2006)’s calls for an intimacy relationship between business and society. Nelson (2005) noted that it seems that the corporate world’s involvement in sustainable issues remains relatively low in Zimbabwe. There seem to be little motivation for the private sector to participate in Corporate Social Responsibility mainly because the government has failed to take leadership in these issues. Where there are attempted to undertake this concept, efforts are mainly targeted at vulnerable individuals and groups. In addition, Mathibbela (2013) notes that there are organisations operating in Zimbabwe whose CSR could be viewed from their ability to alleviate poverty.

Maphosa (2014) established that Zimbabwean businesses succumbed to the pressures of international business standards and practices when it comes to CSR issues. Business has therefore been approached with the economic view as asserted by (Friedman 1962) when he said the business of business is business. However there are noted and commendable cases of
Zimbabwean firms that have seriously taken CSR initiatives (Kurotwi 2011). These include firms such as Zimplats, Nestle, Econet, BAT, Tanganda, Barclays, CBZ bank, OK Zimbabwe and many others. Interestingly most of these firms have international links and are not necessarily purely Zimbabwean in origin. They are therefore compelled by virtue of their shareholding or operational structure to take up CSR initiatives.

Recently, however, Zimbabwean companies are starting to see the positive benefits of these programs. With a recently stabilized economy, middle class Zimbabweans have the purchasing power to choose between service providers and are showing a growing appreciation for non-political, local community engagement.

According to Mathibbela (2013) the challenge still remains for most Zimbabwean firms to move to levels of social service and exceed the spirit of the profit ethic in line with the economic view of the CSR in pursuit of a higher social responsibility than merely paying lip service to the issue. Noticeably, many firms in Zimbabwe try to expose their marketing programmes and initiative as CSR involvement. As an example, a company might introduce a sales promoting strategy, in which you buy one product and get another one for free, and mistake this as a CSR initiative.

The socioeconomic fabric of most Zimbabwean life has been a mixture of uncertainty and lethargy. The business side saw corporate governance issues taken as the back burner as corporates mainly focused on the bottom line (Mathibhela, 2014). With this understanding, it would then be difficult to develop an all-encompassing framework firstly encourages the adaptation and effectively monitor businesses and put in place checks and balances for businesses, which are fully fledged and derive huge benefits from the community.

Katedza (2014) reiterated that Zimbabwe is in a global village whose paramount chiefs are organizations in constant pursuit of technology, environmental issues, employee welfare and relations, diversity, customer and community relations. If Zimbabwe is to get admission into this competitive hereditary line, corporate governance issues should take centre stage so that there is community buy in and stakeholder support in the businesses. As it stands, there is
massive apathy amongst a varied scope of stakeholders where some feel they are being cheated off their hard earned money or businesses are taking advantage of their market monopolies to charge clients ridiculous premiums for services which are way beneath the radar of customer needs and expectations. Such hostility is exacerbated by the fact that there is no option for legal recourse to address these salient issues whatsoever, whilst consumers continue to bear the brunt of unscrupulous, profit hungry corporates.

According to Mujeri(2014), change is taking place, investors now choose socially responsible firms to buy equity in. Consumers also discriminate when making a choice of who to buy their products from. Considerations of sweat shop practices, slave labour, health risk etc play a role in these choices. Businesses must serve a need and a higher purpose to the communities within which they operate for example socially useful goods, services, maintain sound and cordial relations with authorities, uphold environmental issues as sacred, and engage in philanthropic activities. Mathibhela (2014) felt that Zimbabwe unfortunately lags behind in these choices because businesses have a monopoly and want only profitteer from consumers, corporate governance has gone the way of the dinosaur. Listed firms are mostly particular about the market perception whereas, non-listed private entities tend to use CSR as an advertising ploy which is assumed at the proprietor’s whim.

Unfortunately, Katedza (2014) held that, Zimbabwean firms cannot afford to rest on their laurels as poverty and disease continue to wreak havoc on the social fabric of communities. CSR cannot be left solely to Non-Governmental Organizations (NGOs) who have a totally different sectoral agenda altogether. The corporate sector needs to be proactive and take advantage of the synergies that exist and address the gaps that result from the scope of activities of government and NGOs in order to bring an element of completeness into the whole equation. Government has proven that social issues are way beyond its mandate and material capability, a development which immediately creates opportunity for the body corporate.

2.10 THE CONCEPTUAL FRAME
This chapter has reviewed literature on corporate social responsibility in the mining industry. The major concepts that were discussed are employer-employee relationships through CSR programmes, policy alignment of national developmental policies and the CSR programmes. Moreover, the chapter also reviewed literature on the impact of adopting corporate social responsibility on corporate performance. This review has provided a framework within which the findings of the study will be discussed in the preceding chapters. The next chapter presents the methodology that was adopted for this research.
CHAPTER THREE
RESEARCH METHODOLOGY

3.1 INTRODUCTION
This chapter deals with the techniques applied to gather the necessary data and how the data to be used in the study is to be collected. It deals with a number of theoretical frameworks that are involved in the collection of data for the research. Issues covered in this chapter include the general research design, Research Philosophy, Research Strategy, Population and Sampling Techniques, Population, Sampling, Sources of Data, Data Collection Procedure (Research Instrument(s)), Data Analysis, Research Limitations, Research Ethics and Data Credibility. Also provided in this chapter are the methods adopted in sampling, collecting, presenting and analysis of data. The chapter will also provide for how the data so collected will be captured, processed, organized and presented. The results are expected to reveal some patterns from which interpretations and conclusions will be drawn.

3.2 RECAPITULATION
This section recapitulates the statement of the problem that has motivated the need to undertake this study. It also provides the same for the research proposition both of which were presented in chapter 1

3.2.1 RECAPITULATION OF STATEMENT OF THE PROBLEM
The problem to be addressed in this study is that despite a litany of exhibits that have been outlined in the forgoing paragraphs of the dissertation which ranges from the spillage of cyanide and toxic wastes into water bodies, the emission of industrial effluent into major sources of drinking water, the packaging of alcoholic beverages into fruit juice, the inconsiderate exploitation of both human and non-human inhabits by business, the eradication of natural resources and the unsustainable business models being operated by most corporates in Zimbabwe, little has been done to investigate these corporates with a view of putting an end to these malpractices. This should be done with a view of promoting sustainable future business models. The uptake of the concept at practical level seems to have remained generally weak, mild and unimpressive. The effects of a passive and an uncoordinated CSR approach include loss of employees and customers due to health hazard,
cost related to restoration costs if anything goes out of line and the bad reputations that could result from negative publicity. According to Mathibhela (2013) the challenge still remains for most Zimbabwean firms to move to levels of social service and exceed the spirit of the profit ethic in line with the economic view of the CSR in pursuit of a higher social responsibility than merely paying lip service to the issue.

### 3.2.2 Recapitulation of Research Proposition

The research is based on the proposition that:

While there are factors encouraging corporates in Zimbabwe to take CSR on board, there are a number of challenges that have limited the participation of these corporates in CSR. Resultantly they have not enjoyed the benefits that could accrue from being involved in sustainability issues.

### 3.3 Research Design

A research design according to Marczyk, DeMatteo, and Festinger (2005) is the conceptual structure within which research is conducted and it constitutes the blueprint for the collection, measurement and analysis of data. Kothari (2004) further contend that the research design provides a framework that guides and specifies the type of information gathered, its sources, how it is collected and how data is going to be analysed. As postulated by Singh (2006), a research design is essentially a statement of the object of the enquiry and strategies for collecting the evidences, analysing the evidences and reporting the findings. In this regard, Singh (2006) seems to concur with Kothari (2004) who contend that the research design has a great bearing on the reliability of the results arrived at and as such constitutes the firm foundation of the entire edifice of the research work.

The study sought to study the benefits and challenges on the Zimbabwean corporate sector’s participation in Corporate Social activities. The researcher adopted the Saunders research onion framework as illustrated in figure 3.1 on the next page. The framework is made up six layers which are: philosophies, approaches, strategies, choices, time horizons, procedures and
techniques. This research design was suitable for this research as it allowed the researcher to capture all areas of the methodology that was used to gather and analyse data on CSR participation.

Figure 3.1 Research onion framework

3.4 RESEARCH PHILOSOPHY

According to Donald and Pamela (2003), there are diverse approaches to research based on the inquirer’s assumptions, beliefs and values about the world. There are two major classifications of the research philosophy which are phenomenology (qualitative) and positivism (quantitative). According to Saunders, Lewis and Thornhill, (2009) qualitative research requires the investigator to devote considerable period of time with the group under study, to mature contact with key respondents, to study the language, norms, values and attitudes of this group and to build relationships. Babbie (2001) say qualitative implies an
emphasis on process and an in depth understanding of perceived meanings, interpretations and behaviors. On the other hand, Saunders, Lewis and Thornhill (2000), states that quantitative research involves the use of numbers such as official statistics. They include the entire process in which data is collected, assembled, turned into numbers (coded), and analyzed using statistical means.

The researcher adopted the positivist approaches on the research on CSR in Zimbabwe. The researcher had to focus on this approaches to allow for an exhaustive collection and analysis of data from wider group of respondents who were involved in CSR. This was well in line with the descriptive nature of the research. The quantitative method adopted was believed to have the ability to improve the precision of the conclusion through quantitative and reliable measurement and control of data. Through the use of the positivist approaches the research drew of conclusions to test the correctness or otherwise of the proposition on CSR that was formulated at the beginning.

3.5 RESEARCH APPROACHES

According to Saunders, Lewis and Thornhill (2000), there are two types of research approaches which are deductive and inductive reasoning. Deductive reasoning works from the more wide-ranging to the more specific, while inductives reasoning moves from the explicit observation to broader generalities and theories. The research was conducted using the deductive approach in which data first collected and conclusions drawn based on theories of CSR. Broadly this research is basically a descriptive research in which the goal shall be to describe the level of CSR appreciation in Zimbabwe, the factors influencing such level and the challenges that that firm encounter in their quest to undertake such initiatives. There seem to be clarity in terms of the variables to be studied. In this research, the researcher adopted the quantitative approach because of his strong positivist inclination. The researcher then developed a proposition that was tested through the primary. Standard structured questions were uniformly presented to selected sample from whom responses analysed and interoperation drawn from this analysis. A standard questionnaire was used to collected
uniform information from sample units selected to participate in the research. The researcher used data collected to observe the proposition on the areas surrounding CSR in Zimbabwe. The proposition was then tested to confirm the theory and CSR participation in the country.

3.6 RESEARCH STRATEGY

According to Saunders, Lewis and Thornhill (2000) a research strategy as a broad-spectrum plan of how to go about responding the research question(s). It specifies the sources from which the researcher intends to collect the data and considers the constraints that the researcher will inevitably have. The researcher acknowledges that the major research methods are survey, experiment, case study, grounded theory, and ethnography and action research. For the purposes of this research the researcher used the survey method. A survey research according to Sekaran (2005) is defined as a systematic gathering of primary data through the use of a structured questionnaire in a reasonably highly representative and large number sample of respondents. The surveys enabled the researcher to obtain information about situations, views or practices through the self-administered questionnaires on CSR participation in Zimbabwe. Quantitative analytical techniques were then used to draw inferences from this data regarding existing relationships. They further note that this strategy was effectively on the applied in the collection of large amounts of data from a relatively large population in a cost effective way.

3.7 TIME HORIZON

The researcher conducted the research over a 6 months period since it was meant to meet the University of Zimbabwe MBA academic requirement. This therefore meant that the research was done through the Cross sectional time horizon which requires researches to be done in limited time frames. This type of research is mainly common in educational researches that are time specific. For example a dissertation that was done and completed in a space of 6 months.
3.8 POPULATION AND SAMPLING TECHNIQUES

According to Babbie (2001), a population is a group upon which the researcher is interested in making inference. In most research cases, the main aim or objective is to make conclusions or generalizations about every element of a particular group within a given jurisdiction. A good example would be the need to understand the behavior of all primary school children in Zimbabwe. In this particular case, that collective totality of all these children will make up the population. However, focusing on each and every student in a normal research is difficult and usually a manageable number is drawn from this group to form a sample that represents everybody else.

3.8.1 Research Population

As noted above, the population represents the entire group that the research is interested in during a particular study. Every element within that group represents the population. Since the study is focusing on the behavior of corporates in Zimbabwe, the population of this study becomes the totality of all these corporates. The ideas behind the corporate social responsibility involvements of corporates in Zimbabwe is to a very large extent a reflection of the thinking, attitude and mentality of the managers in these corporates towards the concepts.

Table 3.1 Research Population and sample frame

<table>
<thead>
<tr>
<th>Category</th>
<th>Size of stratum</th>
<th>Sample size</th>
<th>Sample selection method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director</td>
<td>158</td>
<td>70</td>
<td>Stratified and Simple Random</td>
</tr>
<tr>
<td>Managerial</td>
<td>102</td>
<td>30</td>
<td>Stratified and Simple Random</td>
</tr>
<tr>
<td>Middle Managerial</td>
<td>56</td>
<td>20</td>
<td>Stratified and Simple Random</td>
</tr>
<tr>
<td>Total</td>
<td>343</td>
<td>120</td>
<td></td>
</tr>
</tbody>
</table>

The population comprised registered members that were actively listed on the Institute of Directors Zimbabwe (IODZ) members. The researcher considered IODZ because it is an institution were senior executives such as Directors, CEOs and managers from different sectors of the Zimbabwean economy are registered. It is also a forum were CSR is discussed regularly. The directors are the resources who initiate the participation into CSR in the
organisations. The researcher also selected the departmental managers from the senior and middle management levels who are registered with the IODZ. According to the IODZ registersthe managers came from the following departments; Marketing, Human Resources, and managers from different operations in the organisations. The total population for the research is 343 staff members inclusive of Directors(158), managerial employees(102) and middle managerial employees (56)as illustrated in Table 3.1.

3.8.2 Sampling andSample Design
A sample is defined as a relatively small subset of a population with advantages over a census in that costs, time and resources are much less (Saunders et al. 2007). In most research, samples are used to collect data mainly for the reasons outline above. Sampling design is an outline of how the sample is derived from a target population while ensuring that the sample drawn has the same characteristics as the population. A Sample not representative of the populations is likely to result in misleading conclusions being drawn about the entire population (Babbie, 2001). Researchers are much more interested in reducing the sampling error as much as possible.

The size of the sample is critical as it has to be large enough to make meaningful and valid inferences about the population(Saunders, Lewis, and Thornhill, 2007). A large sample reduces the magnitude of errors involved when inferring sample results to the population. Marshall (1996) noted that the larger the sample size, the lesser the probability of a random sampling error. The sampling error is inversely proportional to the square root of the sample size, there is usually little to be gained from studying a very large sample.

There are two types of sampling techniques namely, non-probabilistic and probabilistic sampling techniques(Saunders, Lewis, and Thornhill, 2000). Under probabilistic sampling, there are three main approaches of randomly selecting respondents, namely stratified sampling, systematic sampling and simple random sampling(Saunders, Lewis, and Thornhill, 2007). For purpose of this research, the researcher used stratified random sampling and simple random sampling techniques.
According to Singh (2006) the minimum acceptable sample for a research is 30 respondents, the sample in this research was made up of 343 respondents was considered too large. In the same manner Saunders, Lewis, and Thornhill (2007) argues that in a majority of academic researches, sample sizes of between 30 and 300 respondents are most commonly used. On the basis of this understanding, the target population for this study is made up of all the managers of different companies from the different managerial levels. In conducting this research, the researcher was appreciative of the need to stratify the population into different strata according to actively registered members of IODZ. The participants was divided into 3 levels which are the Directors who set policies to participate in CSR, Senior and Middle Managers who are involved in administering CSR in the organisation.

The research sample was selected in the 3 different strata in proportion to number of members in a particular category. This was done to ensure homogeneity among the participants and to ensure that all elements are considered in the research. From each strata, the researcher used simple random sampling to pick elements from the IODZ directory lists(according to category) that could be used for the research. The breakdown of the sample is as follows Directors (70), managerial employees (30) and middle managerial employees (20) as illustrated in figure 3.1. In light of this the research drew a sample of about 120 sample units from the registered members of the IODZ to participate in the research on corporate social responsibility.

3.9 DATA SOURCES AND COLLECTION
The researcher will use both primary and secondary data in order to meet the objectives of the research. Although these two sources were used during the research, the purposes for which these sources were used were somehow different as shall be seen. All this was done in order to effective provide answers to the research questions.

3.9.1 Secondary Data Sources
Jacobsen (2011) defined secondary data as the data collected by others for their own purpose and now used for other purposes. Although the outcomes of the research will be highly
reliant on the primary sources that the researcher is going to gather by questionnaires, it is vital that some secondary foundations be used to comprehend the definitions, theories, concepts, and empirical results (Sapsford and Jupp, 1996). The researcher will use various financial reports, research literature, articles, journals from libraries and the internet and regulatory bodies as well as pressure groups with a bias towards the environment. Literature gaps from the Zimbabwe perspective on the subject of discussion shall be addressed by making reference to international or regional cases.

3.9.2 Primary Source of Data

The researcher used primary data as a major source in this research. There are three main ways of collecting primary data and these are interviews, observations, questionnaires method. According to Babbie (2001) primary data is advantageous in that it is directly relevant to the problem at hand and that it generally offers greater control by the researcher over data accuracy. In this study the data was collected using structured questionnaires as guided by research objectives while where feasibility interviews were conducted.

3.9.3 Research Questionnaire

According to Azzara (2010) a questionnaire is a manuscript with the list of prudently prepared questions selected after significant testing with understanding to obtain dependable responses from a selected sample. He further explained that respondents are permitted to fill in the questionnaires at their own pace thereby creating a high degree of flexibility.

3.9.3.1 Self-administered questionnaire

Primary data was collected for the research using a researcher designed self-completion questionnaire for Directors and managerial employees. The researcher used self-administered questionnaires as data collection instruments.

The researcher distributed self-administered questionnaires to all staff members who were selected using the stratified and simple random sampling. All selected respondents were given a specified time frame of 1 week to complete and return back upon completion. The researcher also made constant follow upon the directors and managers for collection of the questionnaire upon completion.
Part one of the questionnaire comprised of the introductory letter (Appendix 1) which introduced the researcher and the subject of CSR which was understudy. As Benham and Francis (2006) stated that, the focus of research ethics is to protect the individual rights of human beings involved in research studies. This implies that all information provided was being treated with as confidential and participant’s names will be also being kept anonymous. The design of the questionnaire was in such a way that it allowed respondent to express their opinion.

Part two which is represented by Appendix 2 started by appreciating the demographic of respondents focusing on their of the positions in organisations, Education level and organizational capitalization. The research questionnaire was divided into 5 sections. The five sections comprised closed questions and a single open ended question that focused on eliciting information from respondents in line with the study objectives. The closed questions were answered using a Likert’s 5 point scale questionnaire. This would make the information to be easy to analyse the data for making conclusions and recommendations for the study.

3.9.3.2 Pre-testing of the Questionnaire

After coming up with the sample and the questionnaire, the research had to come up with a mechanism of checking the applicability of the questionnaire to the research. The researcher pre-tested the instrument before distribution of the questionnaire to the chosen respondents of 10 executives of organisations listed on the Zimbabwe Stock Exchange (ZSE). The pre-testing was carried out to enhance validity, reliability and objectivity of the research. The questionnaire was be pre-tested before use to ensure that it is unambiguous and is relaying the correct message. Upon pretesting the instrument, the researcher noticed some questions that the respondent could not respond to because they were vague. The researcher therefore deleted the questions when coming up with the final instrument on CSR in Zimbabwe. The purpose of this approach was to try to minimize any potential bias by the use of a single method. However, the pre-test questionnaire and the group that participated in the pre-testing were left out in the final data collection as a way of reducing bias from the respondents.
3.10 DATA ANALYSIS TECHNIQUES
Analysis of data is a process of cleaning, inspecting, transforming and modeling data with the goal of learning useful information, supporting decision making and suggesting conclusions. Data analysis has multiple approaches and facets, encompassing different techniques under a variety of names, in different social science, business, and science domains (Babbie, 2001). In selecting the actual data analysis techniques, the researcher is going to ensure that the assumptions relating to the data analysis technique are satisfied. The huge volume of data involved shall mean that the researcher shall learn towards some data analysis packages such as Statistical Package for Social Sciences (SPSS) to analyses and discern trends that’s are important to the study including their effects. The data was extracted from the SSPS and the information was used to create tables and figures that could be used to interpret the responses CSR questionnaire.

3.11 VALIDITY AND RELIABILITY
The researcher had to use findings from other researchers on CSR to achieve performance in organisations in Zimbabwe. Variables of the factors and benefits of CSR were selected and they were evaluated on the organisations that were selected for the research.

The researcher conducted a pre-tested on the questionnaires before administering them. The pre-test was done with 10 respondents. This consisted of respondents from the organisations that were listed on the ZSE. The purpose of the pre-test was done to reveal and rectify out ambiguities.

To ensure reliability the research questionnaire was pretested before being administered to the final respondents for data collection. To ensure that respondents did not have any problems answering, the questions asked were assessed and they were restructured. The researcher triangulated the data sources using both primary and secondary data source. This was done to verify the primary data that was collected from the respondents.
3.12 RESEARCH ETHICS AND DATA CREDIBILITY
Ethics refers to a system of principles which can critically change previous considerations about choices and actions. It deals with the dynamics of decision making concerning what is right and wrong. In a study of this nature, there are a number of ethical considerations that the researcher have to note and deal with at each and every stage in order to guarantee both data and research results credibility. The first ethical issue faced by the researcher was the selection of the sample from which the research questionnaires has to be addressed to. The research ensured that there was no biased selection of subject towards those with certain characteristics. Related to the same issue is the issue of informed and consented participation. Participants should be fully informed of what they are participating in and what the information they provide was used for. If need be the research had to ensure that the privacy and confidentiality of the participants shall has been respected.

The other major ethical consideration related to a research of this nature is the issue to do with authorised access. Obviously the research laid hands to some literature related to corporate social responsibility. Such information was acknowledged through the referencing system. Ethical considerations were used to ensure that the researcher remained detached emotionally from the research. Such a position shall allow to objective analyse the data and fairly report on the findings.

3.13 RESEARCH GAP/CONTRIBUTION OF THE STUDY
While there could have been other studies in the field of corporate social responsibility, the research intent to broaden the scope of the study by firstly bringing out the current corporate practices with regards to the subject of discussion. In addition to this, the research tried to bring to attention the factors affecting the level of corporates social responsible. In their participation in these corporate social responsible projects, the firms obviously looked at gaining something out of it. It was through this research that the firms had answers to whether these expectations were being realised. Crucially, firms needed to know if they could use issues of the green environment and sustainability to gain competitive advantage.
3.14 CHAPTER SUMMARY
The Methodology looked at how the study was conducted. It explains the research approach, research design, sources of data, methods of data collection and analytical procedures used. The next chapter will focus on the results and analysis.
CHAPTER FOUR
FINDINGS AND ANALYSIS

4.1 INTRODUCTION
This chapter presents and discusses the findings of the data collected from the research sample. The data are presented first; with an analysis following and then cements are made based on the findings from the questionnaires and interviews. Presentation of statistical data takes the form of tables, pie charts and graphs with content analysis being used for non-statistical data. The findings shall also be reviewed in terms of the extent to which they contradict or collaborate literature as reviewed in chapter 2. At the end the findings has been used to test the proposition made at the start of this study in chapter 1.

4.2 RESPONSES RATE
Table 4.1 Response rate and composition of questionnaire respondents

<table>
<thead>
<tr>
<th>Category</th>
<th>Research Sample</th>
<th>Response Received</th>
<th>Response rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director</td>
<td>70</td>
<td>63</td>
<td>90%</td>
</tr>
<tr>
<td>Managers</td>
<td>30</td>
<td>24</td>
<td>80%</td>
</tr>
<tr>
<td>Middle manager</td>
<td>20</td>
<td>11</td>
<td>55%</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>98</td>
<td>81.6%</td>
</tr>
</tbody>
</table>

Source: Primary data

Table 4.1 shows a summary of the questionnaire returns from the survey. A total of 120 questionnaires were distributed to each respondent illustrated in the table. Of the 120 copies that were distributed, a total of 98 were returned giving a response rate of 81.6%. The response rate was high to justify generalising the responses on the benefits and challenges of CSR participation for Zimbabwean firms.

4.2.1 Response rate by level of education
The table below sought to assess the demographics according education.

Reference is made to figure 4.1 below. The statistics show that 15.3% where at Diploma level, 49% had Bachelor’s Degrees, 32.7% had Masters Degrees and 3.1% had PhDs. This might suggest that the respondents were relatively well educated to understand and appreciate the concept of CSR in the Zimbabwean context.
4.2.2 Response rate by level in the organization

The table below sought to assess the demographics according to level in the organization.

Table 4.2 What position do you currently hold in the Organization that you work for?

<table>
<thead>
<tr>
<th>What position do you currently hold in the Organization that you work for?</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director</td>
<td>63</td>
<td>64.3</td>
<td>64.3</td>
<td>64.3</td>
</tr>
<tr>
<td>Valid Manager</td>
<td>35</td>
<td>35.7</td>
<td>35.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>98</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

The statistics indicate that 64.3% of the responses were directors while 35.7% were at Managerial level. The Directors are the main participants in CSR in their organizations hence would give relevant response towards the area of CSR in Zimbabwe.

4.2.3 Response rate by sector

The graph below sought to assess the demographics according to sector.

The figure 4.2 below show that 32.7% were in the Mining sector, 25.5% Manufacturing sector, 14.3% Agriculture, 8.2% Construction, 15.3% Services and 4.1% were in other sectors such as Education. The mining and the manufacturing sectors are players that
contribute negatively in the environment hence their participation in CSR are high. Therefore, their contribution to the benefits and challenges CSR activities by Zimbabwean firms could be used to generalize the findings.

![Figure 4.2 Response rate by sector](image)

### 4.2.4 Response rate by level in the organization

The graph below sought to assess the demographics according to capitalization.

![Figure 4.3 Response rate by level in the organization](image)
The statistics indicate that 14.3% of the organisations were $500 000 capitalised, 5.1% were $500 000-$750 000, 3.1% were between $750 001 and 1 million, 48% was between 1.5 million and 2 million and 29.6% were 2 million and above. This suggests that the respondents came from organisations that had capacity to participate in CSR because of their financial resources.

4.3 EXTENT TO WHICH FIRMS ARE PARTICIPATING IN CSR

4.3.1 Extent of organizational CSR participation

![Bar chart showing the extent of organizational CSR participation](image)

Figure 4.4 Our organization participates in CSR

The responses indicate that about 6.1% strongly agreed and 42.9% agreed to the notion that their organizations participates in CSR. About 18.4% were neutral, 28.6% disagree and 4.1% strongly disagreed to the notion. Although there were noted differences in the extent of this participation, a relatively high proportion of almost 49% were from organization with some form of CSR involvement while a relatively high proportion of 18.4% being neutral on the subject meaning the idea might have started to circulated. It was only a very small proportion of 6% who strongly agree meaning the concept has been fully embraced to a very low extent.
There is certainly an increase in the uptake of CSR concepts in line with De George (2006)’s calls for an intimacy relationship between business and society including those in Zimbabwe a position also supported by Mukusha (2012). There is temptation to link this level of participation mainly to large corporates as shown in Figure 4.3.

### 4.3.2 Organisations are Making Annual Budget Provisions For CSR

Table 4.3 Budgetary provisions for CSR are done on an annual basis

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>5</td>
<td>5.1</td>
<td>5.1</td>
<td>5.1</td>
</tr>
<tr>
<td>Agree</td>
<td>31</td>
<td>31.6</td>
<td>31.6</td>
<td>36.7</td>
</tr>
<tr>
<td>Neutral</td>
<td>14</td>
<td>14.3</td>
<td>14.3</td>
<td>51.0</td>
</tr>
<tr>
<td>Disagree</td>
<td>43</td>
<td>43.9</td>
<td>43.9</td>
<td>94.9</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>5</td>
<td>5.1</td>
<td>5.1</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>98</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

About 5.1% strongly agreed and 31.6% agreed to the notion that budgetary provisions for CSR are done on an annual basis. About 14.3% were neutral, 43.9% disagree and 5.1% strongly disagreed to the notion. The proportion of 5.1% of corporates with consistent annual CSR budgetary allocation reflects a lower extent to which corporates are committed to sustainability issues. These corporates are most likely to be those that recon that there is need for a consistent investment through an all-encompassing approach that brings CSR into the core business operations and strategy (Branco and Rodrigues, 2007). An increased proportion of about 31.6% seem to have adhoc CSR budgetary allocation meaning although they recognize it, they do appreciate its importance in driving business success in line with Nelson (2005)’s assertion that during a positive financial trends firms are likely to have excess limited resources. In addition, a significant proportion of over 60% had no CSR budgetary allocations. This might be triggered by the stringent economic environment the organisations are operating under. Some environmental initiatives require upfront investments in order to
achieve environmental goals and realize cost-savings; their costs must be incorporated into financial plans and budgets (Industry Canada, 2014).

4.3.3 The Presence of CSR Codes and Principals in Different organizations.

![Bar chart showing the percentage of respondents' agreement with the notion of documented CSR codes and principals for their organization.](image)

**Figure 4.5** There are documented CSR codes and principals for the organization.

About 10.2% strongly agreed and 28.6% agreed to the notion that there are documented CSR codes and principals for their organizations. About 6.1% were neutral, 43.9% disagree and 11.2% strongly disagreed to the notion. The extent to which organizations have formalized their CSR policies through laid down codes and principles is low. Most of the organizations seem to approach sustainability issues in an adhoc manner. In fact corporate leaders are starting to realise that comprehensive CSR policy help organisation to yield some market benefits as well as competitive advantage (Ogrizek, 2001). To a very large extent, the need to document CSR codes and principles seem to not have been given priority in the country. Probably the leadership of these firms are still to appreciate the need to exploit strategic opportunities presented by CSR through formalised codes and policies. According to Hillman and Kein(2001) some leaders have a good ability to discern how CSR can stir their organizations towards the desired objectives. These differences will then motivate some managers to push up the concept of CSR by formalizing it through documented codes and polices.
4.3.4 CSR is discussed in meetings and is incorporated into company strategy.

The results show that about 5.1% strongly agreed and 29.6% agreed to the notion that formal meetings also discuss sustainability related issues resulting in them being incorporates into the corporate strategies. About 11.2% were neutral, 34.7% disagree and 19.4% strongly disagreed to the notion. The results that formalization of CSR through meetings and firm strategies in most organizations remain relatively low. The fact that only 5.1% strongly agree means that is still quite a lot of scope for improvement. Therefore to a large extent the CSR environment for most firms is weak. Resultantly most businesses are not able to take into account hidden costs and unrealized opportunities in their business, investment and purchasing decisions and plans (Laasch and Conaway, 2014). This can be done if there are formal meeting to look into how the organisation are operating. Again the relaxed CSR mood in Zimbabwe falls in line with that of the rest of Africa as noted by Nelson (2005) who presents that the absence of comprehensive policy framework is common in most African Countries.

4.3.5 The firm’s business Process, Procurement and Products are sensitive to CSR

Figure 4.8 below indicates that about 10.2% strongly agreed and 16.3% agreed to the notion that the firm’s business processes and products are sensitive to the likely non-financial

Figure 4. 6 Formal meetings also discuss sustainability related issues.
impact on the wider stakeholder committee. About 25.5% were neutral, 39.8% disagree and 8.2% strongly disagreed to the notion.

![Pie chart showing percentage distribution.]

**Figure 4.7 The firm’s Business Process and Products’ sensitive to CSR issues**

Again the results suggest a significantly lower extent of CSR uptake as measured by these aspects. Generally most organization’s process, procurement and products are not sensitive to the non-financial impact to stakeholders and the environment. Such firm behaviours are in contradiction with Donaldson and Preston (1995)’s claim that it can be beneficial for the firm to engage in certain CSR activities perceive as important by non-financial stakeholders, because without these, such groups might withdraw their support for the firm. Probably, such most of the corporates in the country are still affixed to the economic theory of CSR that the business of business is business as given by Nelson (2003). Blowfield (2005) noted that the impact of their process on the environment of the genuine CSR concerns of the communities is the least of their worries.

**4.3.6 Annual reports include CSR issues**

About 8.2% strongly agreed and 17.3% agreed to the notion that there are attempts to report CSR issues in the annual report. About 12.2% were neutral, 29.6% disagree and 32.7% strongly disagreed to the notion.
Table 4.4 There are attempts to report CSR issues in the annual report

<table>
<thead>
<tr>
<th></th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>8</td>
<td>8.2</td>
<td>8.2</td>
<td>8.2</td>
</tr>
<tr>
<td>Agree</td>
<td>17</td>
<td>17.3</td>
<td>17.3</td>
<td>25.5</td>
</tr>
<tr>
<td>Neutral</td>
<td>12</td>
<td>12.2</td>
<td>12.2</td>
<td>37.8</td>
</tr>
<tr>
<td>Disagree</td>
<td>29</td>
<td>29.6</td>
<td>29.6</td>
<td>67.3</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>32</td>
<td>32.7</td>
<td>32.7</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>98</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

This proposes that the majority of the organizations were not reporting sustainability issues in their annual report with only a smaller portion managing to do so. The fact that only a minority of firms are reporting on CSR shows that the concepts is generally not give the importance that it deserves. These results are in sharp contradiction with trends in Western countries as noted by Baah and Tawaiah (2011) who present that today CSR is such a strategic issue with most firms now reporting their CSR involvement in their annual reports. Currently, CSR is such a strategic issue with most firms now reporting their CSR involvement in their annual reports (Baah and Tawaiah, 2011). Kurotwi (2011) however notes that there are commendable cases of Zimbabwean firms that have seriously taken CSR initiatives including report in annual reports although most of such firms have international links and are not necessarily purely Zimbabwean in origin.

4.4 THE BENEFITS CSR PARTICIPATION.

4.4.1 CSR to attain competitive advantage

As indicated in the figure 4.9 below, 12.2% strongly agreed and 16.3% agreed to the notion that the organization is likely to leverage on its CSR and survive challenging situations. About 25.5% were neutral, 37.8% disagree and 8.2% strongly disagreed to the notion. The result suggests that only a smaller proportion of organizations amounting to that 30% were using CSR to attain competitive advantage and survive challenging situation. A significantly larger portion of around 70% seem not to be sure, disagree or strongly disagree meaning that they are just letting some strategic opportunities in CSR go unexploited.
According to Sangeetha (2011) CSR is as much about seizing opportunity as avoiding risk meaning there are possibilities to use CSR to drive corporate success. Drawing feedback from diverse stakeholders can be a rich source of ideas for new products, processes and markets, resulting in competitive advantages (Hoppe and Grube, 2001). Further to that, Albinger and Freeman (2000) argue that benefits of CSR include allowing firms to differentiate themselves from their competitors and raising its profile amongst its stakeholders allowing it to build their own corporate loyalists. Hopkins (2004) however notes that CSR implementation will result in increased costs but went on to present that the resulting benefits will far outweigh the costs.

**4.4.2 Improved reputation from increased level of CSR participation**

Figure 4.10 below indicates that about 14.3% strongly agreed and 45.9% agreed to the notion that the reputations of the organization have improved with its level of CSR participation. About 9.2% were neutral, 17.3% disagree and 13.3% strongly disagreed to the notion. This shows that to a significantly large extent, CSR has the chance of improving the reputation of organizations participating in CSR in Zimbabwe. It was only a small proportion of the sample that could not link their CSR to improved reputation which probably are those firms that did not practice it. (Siegel, 2001) highlights this by saying improved citizen and
stakeholder understanding of the firm and its objectives and activities translates into improved stakeholder relations.

Kotler and Lee (2005) further concluded that CSR programs affect stakeholders’ cognitive thinking that then change their behavior in ways indicative of sympathy to the company’s overall financial interests. There are therefore similarities between literature and the findings of this research in that regard. (Hillman and Keim, 2001) further confirm that through their conclusion that corporates performing poorly in CSR can damage their own brand and company value.

Figure 4. Improved reputation from increased level of CSR participation

Kotler and Lee (2005) further concluded that CSR programs affect stakeholders’ cognitive thinking that then change their behavior in ways indicative of sympathy to the company’s overall financial interests. There are therefore similarities between literature and the findings of this research in that regard. (Hillman and Keim, 2001) further confirm that through their conclusion that corporates performing poorly in CSR can damage their own brand and company value.
4.4.3 CSR participation has Improve the Financial Performance

Figure 4.10 CSR participation on financial performance

As shown in figure 4.11 above, findings show that about 12.2% strongly agreed and 32.7% agreed to the notion that CSR participation has increased the financial performance and resources of the company. About 25.5% were neutral, 18.4% disagree and 11.2% strongly disagreed to the notion. The results seem to indicate that to a reasonable extent organizations participating in CSR had witnessed improved financial performance and resources. These could accrue in a number of ways for instance Bangladesh has introduced tax exemptions for companies engaging in CSR programs (Yin and Gefei, 2008). Firms can also leverage and benefit from their reputation within the business community by being able to attract investors whenever there is need to raise capital (Loimi, 2003). An appreciation of the time lines of these benefits is also important. (Kurucz, Colbert and Wheeler, 2008) explain that, in many cases, the time frame of the costs and benefits are mostly out of alignment with costs being immediate while benefits often realised in the future. This meant that that firm that have not yet benefited might then begin to see their benefits into the future.

4.4.4 Develop new products/services to reduce social problems.
Figure 4.11 Develop new products/services to reduce social problems.

About 9.2% strongly agreed and 53.1% agreed to the notion that organizations develop new products/services which help to reduce social or environmental problems. About 11.2% were neutral, 18.4% disagree and 8.2% strongly disagreed to the notion. Based on these finding, there is a significantly belief that in addition to empowering the community through CSR activities, organisations also drive benefits for themselves. These findings seem to be aligned to the proportion of respondents whose organizations are involved in CSR as shown in figure 4.3. It would be difficult to expects those organization that are not participating in CSR to appreciate these benefits. Gummsson (2006) confirms this by presenting that regular stakeholder dialogue puts corporates in a better position to anticipate and respond to changing dynamics in the business environment that may occur from time to time. It was further established that improved citizen and stakeholder understanding of the firm and its objectives and activities translates into improved stakeholder relations (Siegel, 2001).

### 4.4.5 Improved business risk management since adopting CSR

Table 4. 5 CSR strategy to improve its risk management framework.

<table>
<thead>
<tr>
<th>CSR helped improve risk management frameworks</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Valid</td>
<td>Strongly agree</td>
<td>Agree</td>
<td>Neutral</td>
</tr>
<tr>
<td>----------------</td>
<td>-------</td>
<td>---------------</td>
<td>-------</td>
<td>---------</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11</td>
<td>11.2</td>
<td>11.2</td>
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<tr>
<td></td>
<td></td>
<td>11</td>
<td>11.2</td>
<td>11.2</td>
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<tr>
<td></td>
<td></td>
<td>10.2</td>
<td>10.2</td>
<td>10.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The results show that 11.2% strongly agreed and 11.2% agreed to the notion that since adopting CSR, organization’s risk management framework has improved its business and operations risk. About 20.4% were neutral, 46.9% disagree and 10.2% strongly disagreed to the notion. This proposes that only a few corporates have noted an improvement in their risk management framework since the adaptation of CSR. This trend might also be linked with the findings that the majority of the firms have not taken CSR practices on board as explained in the preceding paragraphs hence such firms could not experience that benefits for something they had not implemented. Smith (2005) argues that CSR activities in the form of equal employment opportunity (EEO) policies and practices and environmentally responsible commitments enhance long-term shareholder value by reducing both costs and risks associated to business. (Zadek, 2004) further notes there are also opportunities for cost and business risk reduction by embarking on environment focussed corporate social responsibility activities. Such benefits accrue through reduced current and future compliance cost. The disparities in the literature and the findings of this study suggest the presents of opportunities to improve risk management through CSR.

4.5 FACTORS INFLUENCING CORPORATE SOCIAL RESPONSIBILITY PARTICIPATION BY FIRMS IN ZIMBABWE.

4.5.1 Managerial Staff’s knowledge and interest in CSR.
Figure 4. Knowledge and interest in corporate social responsibility

About 9.2% strongly agreed and 55.1% agreed to the notion that Managerial employees are involved in corporate social responsibility in our organisation. About 11.2% were neutral, 16.3% disagree and 8.2% strongly disagreed to the notion. The results suggest that a significantly high proportion of the managerial employees the right knowledge and interest in CSR issues. The fact that this percentage is higher than that of the those that are currently involved in CSR mean although some corporates are not participating in sustainability issues, they have managers the right knowledge and interest in the issue. Articulating the role of managerial knowledge and interest, Windsor (2001) purports that some corporates may just have a proactive attitude towards CSR issues irrespective of the absence of any specific external pressure or any legal provisions requiring that it act in a particular manner. Richardson, Welker and Hutchinson (1999) also note that Commonly so, it is also possible for certain corporates with publicly known and acknowledged CSR related challenges to just take no action on these challenges. The differences between these two extreme approaches to this concept mainly arise from differences in managerial attitude towards the concepts which manifest itself as corporate attitude to CSR. In line with Richardson, Welker and Hutchinson, (1999)’s arguments that CSR changes from time to time, it could be this shift in managerial attitude, either as a reflection of managerial thinking or the coming new blood into the managerial ranks.
4.5.2 CSR has increased with the growth of our firm

![Bar chart showing distribution of responses to the statement about CSR increasing with firm growth.]

Figure 4.13 The relationship of firm size to CSR involvement

About 25.5% strongly agreed and 17.3% agreed to the notion that CSR participation has increased with the growth of the company. About 28.6% were neutral, 13.3% disagree and 15.3% strongly disagreed to the notion. The results seem to suggest a weak positive correlation between the size of the firm and CSR involvement. Although most of the large firms are involved in CSR, not all such firms are involved. Abbott and Monsen (1979) stated that there is no conclusive evidence that there is a clear linkage between these two variables. However, Smith (1991) seem to concur with these findings by suggesting that there is a close link between a firm’s size and its CSR involvement. Roberts (2003) further agree that large firms are under increased scrutiny and their negative behaviour receive amplified publicity. Such corporates then tend to be more responsive to the issues and their CSR is generally on the high side.

4.5.3 CSR is primarily motivated by public relations or marketing considerations.
About 24.5% strongly agreed and 44.9% agreed to the notion that CSR is primarily motivated by public relations or marketing considerations. About 2% were neutral, 23.5% disagree and 5% strongly disagreed to the notion. From the results, it can be observed that the majority of the corporates are engaging in CSR as a brand management and publicity management strategy. It was only a very small proportion who thought their CSR had nothing to do with their marketing strategies. The results are consistent with Branco and Rodrigues (2007) who note that CSR can be used as marketing strategy to publicise the company’s products and profile to the general public. While this may sound morally wrong, there seem to be consensus that CSR is not an end in itself (Kant 2002). Blowfield (2005) weigh in by suggesting that CSR involvement is usually in those areas that was the potential to immediately attract the attention of the wide stakeholder community. The impact of their process on the environment of the genuine CSR concerns of the communities is the least of their worries.

4.5.4 There are similarities in the way our industry approach CSR.

Figure 4.17 below seem to suggest that 15.3% strongly agreed and 34.7% agreed to the notion that there is a strong linkage between specific industries norms as factors influencing CSR participation. About 20.4% were neutral, 12.2% disagree and 17.3% strongly disagreed to the notion. This may suggest that there is a relatively strong relationship between firms in
a particular industry and the way they participate in CSR. It was a small proportion of around 30% who either disagreed or strongly disagreed to that firms benchmark their CSR involvement with that of corporates in the same industry.

Tilt (1994) concurred indicating that there is evidence suggestive of the strong linkage between the size of the firm and specific industries norms as factors influencing CSR participation. Vargo and Lusch (2004) presented that there are industries that are more sensitive to CSR issues than others for example large firms in the oil and gas sectors seem to undertake increased CSR activities than those in less sensitive industries such as the retails industry seem to confirm the findings in this section. Such trends are also reflecting in the Zimbabwean context.

4.5.5 Organizational Ethics influence CSR involvement of different organizations.

Table 4.7 below illustrates that 14.3% strongly agreed and 39.8% agreed to the notion that organizational ethics influence CSR involvement of different organizations. About 17.3% were neutral, 11.2% disagree and 17.3% strongly disagreed to the notion. The results propose
that organizational ethics have a strong bearing on the involvement of Zimbabwean firms in CSR.

Table 4.6 Organisational Ethics influence CSR involvement of different organizations.

<table>
<thead>
<tr>
<th>Organisational Ethics influence CSR involvement of different organizations.</th>
<th>Frequency</th>
<th>Percent</th>
<th>Valid Percent</th>
<th>Cumulative Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly agree</td>
<td>14</td>
<td>14.3</td>
<td>14.3</td>
<td>14.3</td>
</tr>
<tr>
<td>Agree</td>
<td>39</td>
<td>39.8</td>
<td>39.8</td>
<td>54.1</td>
</tr>
<tr>
<td>Neutral</td>
<td>17</td>
<td>17.3</td>
<td>17.3</td>
<td>71.4</td>
</tr>
<tr>
<td>Disagree</td>
<td>11</td>
<td>11.2</td>
<td>11.2</td>
<td>82.7</td>
</tr>
<tr>
<td>Strongly disagree</td>
<td>17</td>
<td>17.3</td>
<td>17.3</td>
<td>100.0</td>
</tr>
<tr>
<td>Total</td>
<td>98</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

These observations confirms (Joyner, Payne and Raiborn, 2002) who argue that ethical considerations can guide a firm or organization to act in a certain way without any external pressure or legislative constrain. Basically firms will want to align their behaviour to their perceived ethical standing. According to (Ogrizek 2001) the level of corporate ethics or understanding will then determine the extent to which a corporate gets involved in corporate social responsibility issues. It was further noted that organisations with weak corporate ethics will stand and watch when communities are subjected to some uncomfortable conditions because in their belief they have no duty beyond their economic and possible to some extend their legal obligations.

4.5.6 The Extent of Pressure Groups’ influence on CSR Involvement

About 31.6% strongly agreed and 35.7% agreed to the notion that pressure groups such as NGOs have created adequate CSR awareness. About 12.2% were neutral, 10.2% disagree and 10.2% strongly disagreed to the notion. Accordingly corporate leaders in Zimbabwe believe that NGOs have done reasonably well in creating the necessary awareness in CSR issues. There is also a fairly high response of 31.6% on the strongly agree scale. There seem to be consistence between the findings and Jonker and Nijhof (2006) who note that the
presence of nongovernmental organizations and social organizations, good corporate governance system and diversity of the workforce to predominantly influence the CSR activities of banks Oman. Complementing the same view, Welford (2004) claims the presence of social and non-governmental organizations in the country have allowed the banks to set aside the funds for CSR.

![Pressure Groups have created adequate CSR awareness](image)

**Figure 4.16 Pressure Groups have created adequate CSR awareness**

### 4.6 CHALLENGES INHIBITING FIRMS OPERATING IN ZIMBABWE FROM PARTICIPATING IN CSR.

About 13.3% strongly agreed and 5.1% agreed to the notion that we have the right level of CSR knowledge and understanding in our firm. About 13.3% were neutral, 35.7% disagree and 32.7% strongly disagreed to the notion. The results show that the organizations significantly lack CSR knowledge and understanding. According to Sangeetha (2011), the firm’s Social Responsibility objectives should embrace responsibility of the firm's actions on the eco system and promotes a positive impact through its interaction with the environment it operate in, its consumers, employees, communities, stakeholders and all other members of the public sphere.
4.6.1 CSR knowledge and understanding in our firm.

According to Mathibhela (2013) the challenge for Zimbabwean remains to move to levels of social service and exceed the spirit of the profit ethic in line with the economic view of the CSR in pursuit of a higher social responsibility than merely paying lip service to the issue. There above indicates that there still remain gaps in terms of how CSR is appreciated including its role in the corporate arena.

4.6.2 A leadership challenge is one of the key problems for CSR participation.

Figure 4.17 CSR knowledge and understanding in our firm.

Figure 4.18 A leadership challenge in CSR participation.
About 5.1% strongly agreed and 44.9% agreed to the notion that a leadership challenge is one of the key problems for CSR participation. About 14.3% were neutral, 18.4% disagree and 17.3% strongly disagreed to the notion. The results suggest leadership challenges were significantly impeding the adaptation and implementation of CSR in Zimbabwe. Leadership is all about helping your organisation in obtaining competitive advantage, Hillman and Keim (2001) note that CSR enhances the ability to recruit, develop and retain staff. The leadership of Zimbabwean firms do seem to have realised the importance of adopting CSR. They have failed to take heed of (Baah and Tawaiah, 2011) that helping society out of organization’s free choices might even in return, help the concerned corporate organizations to gain a good reputation and acceptance within their communities.

4.6.3 CSR Practices biased towards brand management strategy.

![CSR Practices biased towards brand management strategy chart]

Figure 4. 19 CSR is part of the firm’s brand management strategy.

About 18.4% strongly agreed and 18.4% agreed to the notion that CSR is part of the firm’s brand management strategy. About 19.4% were neutral, 33.7% disagree and 10.2% strongly disagreed to the notion. The extent to which brand management strategies are presenting CSR challenges was noted to be relatively low at a combined total of about 37%. Had it been the case, the CSR engagements would then assume instrumental rather than intrinsic value. They are worthwhile in so far as they improve the fortunes of corporate organisations and
bad in so far as they are injurious to their corporate image and business prospects (Kant, 2002). The findings confirm Crowther and Aras (2008) that to a certain degree the Zimbabwean CSR principles are aligned to three principles of sustainability, accountability and transparency.

4.6.4 The Adequacy of Financial Resources to Fund CSR

![Pie Chart]

Figure 4.20 The Extent to Financial resources have limited our CSR involvement.

About 5.1% strongly agreed and 18.4% agreed to the notion that financial resources limited the extent to which they would have wanted to participate in CSR. About 10.2% were neutral, 49% disagree and 17.3% strongly disagreed to the notion. Generally, financial resources have not been noted as being a major constraint in corporates’ CSR endvour. These results are somehow in contradiction to Wood and Logsdon (2002) who note that financial resources and performance also has an influence on CSR. Kurotwi(2011) asserted that CSR initiatives in the country mostly seem to have been taken up by firms with international links and are not necessarily purely Zimbabwean in origin seem to point toward differences in resources of these two groupings. However (Sangeetha, 2011) seem to suggest again that resources are such a big factor by noting that there is a need for the adaptation of the right approach which ensures consistent investment through an all-encompassing approach that brings CSR into the core business operations and strategy. The understanding is that, without these consistent investments, resources will eventually dry up.
4.6.5 Legislative Gaps in supporting CSR

On this aspect, 8.2% strongly agreed and 14.3% agreed to the notion that there are adequate legal provisions to support effective CSR participation by the wider corporate community in the country’s legal frameworks a point there seem to be indicated on figure 4.24 below. About 17.3% were neutral, 37.8% disagree and 22.4% strongly disagreed to the notion.

![Figure 4.21 Adequate legal frameworks to support CSR involvement]

There seem to be a significantly high proportions of around 60% who believe there are gaps in the legal framework a position which seemingly do not support the effective participation by all corporates in CSR. Such organisations have a tendency of aligning their CSR to the basic minimum requirements. In conformity with these findings, Doane (2005) maintains that it is difficult in the absence of strong Legislation for the market to deliver long-term social benefits because the short-term demands of the stock market provide disincentives for doing so. However Phillips, Freeman, and Wicks (2003) oppose such view and claim that CSR involvement and the management of stakeholder relations should continue to be voluntary. Christensen and Murphy (2004) asserts that corporate tax avoidance is one of the most common and significant sign of irresponsible business behaviour yet most companies continue to avoid taxes which is a breach of the law. Therefore most company behaviour tends to contradict their CSR claims of good corporate citizenship. The dangers of legislation are it prescribes only the minimum expectations without regards to developments on the ground (Zadek, 2004).
4.7 TESTING OF THE RESEARCH PROPORTION
In this section, the researcher is going to test the proposition that this study proposes that:

While there are factors that encouraging corporates in Zimbabwe to take CSR on board, there are a number of challenges that have limited the participation of these corporates in CSR. Resultantly they have not enjoyed the benefits that could accrue from being involved in sustainability issues.

**Objective 1:** To ascertain the extent to which different Zimbabwean firms are participating in Corporate Social Responsibilities.

Although there are some levels of CSR participation by Zimbabwean firms effectively indicating that corporates are warming up to the idea, the levels of such participation remains low. The situation is further compounded by a weak CSR which is characterised by low and inconsistent CSR budgetary provisions, the absence of formal CSR codes and principles, CSR issues and not generally discussed in formal meetings and hence not part of the strategy and the fact that processes, procurement and products are not sensitive to sustainability issues. The findings therefore support the aspect of the proposition which says there is limited participation in CSR by Zimbabwean firms.

**Objective 2:** To appreciate the benefits that could accrue to Zimbabwean firms if they participate in corporate social responsibility activities.

The findings relating to the above objective suggest that firms participating in CSR tend to acquire a host of benefits. Firms participating in CSR have an increased chance of building a strong competitive advantage for themselves. Their reputation in the community and market is likely to increase in a positive way. Sustainability involvement seem also to strengthen corporates’ overall risk management framework. The financial performance of such corporates in likely to be improved their both revenue increases and cost reductions. The firm is also likely to improve it relationships with the community in a manner that is mutually beneficial to both the community and the organisation. On the basis of these, the findings are therefore in support of the part of the proposition which state that.
Objective 3: To understand factors influencing the level and extent of corporate social responsibility participation by different firms in Zimbabwe.

The study has highlighted a number of factors in the Zimbabwean context that are positively inclined towards encouraging corporates to participate in CSR. Generally, these factors seem to be conducive for effective CSR participation. The study notes that corporate managers have a reasonable level of knowledge and interest in CSR. Industrial trends in CSR were also noted as key factors as most firms would not want to lag behind. Organisational Ethics and culture were also seen as key determinants in the uptake of sustainability issues. Financial resources and performance, pressure group activities as well as organisational size would complete the list of these factors.

Objective 4: To understand if there are any challenges inhibiting firms operating in Zimbabwe from participating in CSR.

The results of this study seem to suggest that generally, the challenges inhibiting CSR involvement are mild to weak. In line with the fact that the environment is fairly conducive as shown by the factors above, only a few challenges deserve attention although their impact remains subject to debate. The main challenges were the tendency to try to align CSR to the Brand Management Strategy resulting in biased participation. The Legislative arrangement seem to lack the impetus to effective enforce compliance in these issues while broadly firms are struggling financially to be able to set aside resources towards sustainability issues.

4.8 CHAPTER SUMMARY
This chapter presented the research findings, analysis and the discussion of the benefits and challenges of participation in CSR by Zimbabwean firms. Considerations took into account the sources and response rate regarding the research survey instruments administered. Data was presented according to the objective they sought to address. The chapter provides the
basis on which conclusions and recommendations were made. The next chapter presents the conclusions drawn from these findings and the subsequent recommendations.
CHAPTER FIVE
CONCLUSIONS AND RECOMMENDATIONS

5.1 INTRODUCTION
This chapter is a culmination of the research study and provides conclusions based on the extent to which empirical findings and the analysis of the primary investigations as provided in chapter four provide answers to the research questions raised in chapter 1. The chapter begins with conclusions and provides a validation of the research proposition. The conclusion and the validation of the proposition will lead to the formulation of recommendations that could help the corporate world to deal with issues covered in this study in a better way.

5.2 CONCLUSIONS
In recapitulating the research questions outlined in chapter one of this study, the researcher makes the following conclusions:

5.2.1 To ascertain the extent to which different Zimbabwean firms are participating in Corporate Social Responsibilities.
While Zimbabwean corporates seem to be warming up to embrace the concepts of CSR, the level of CSR participation remain relatively low in the country. Only a very small proportion of corporates seem to have fully embraced the idea. The majority seem to have adopted a very narrow view of the concept with the fulfilment of the legal provisions seemingly dominating their perceived CSR practices. The CSR environment in the country remain generally weak with low and inconsistent CSR budgetary allocations, absence of formal CSR codes, polices and principles, absence of CSR issues in formal meetings and strategies as well as processes, procurement guideline as well as products that are not sensitive to CSR issues. As a result of these CSR issues are not being reported in the annual reports generally.

5.2.2 To appreciate the benefits that could accrue to Zimbabwean firms if they participate in corporate social responsibility activities.
It is also the researcher’s conclusion that participating in CSR can bring a number of benefits to the participating firms. These benefits include the attainment of a stronger competitive position, improved reputation in the eyes of the community, the strengthening of the risk management framework and the improvement of relationships with the community in a way that benefits the business. Importantly, financial results are likely to improve mainly through increases in revenues and reduction in expenses.

5.2.3 To understand factors influencing the level and extend of corporate social responsibility participation by different firm in Zimbabwe.

An analysis of the finding led to the conclusion that the factors that influence CSR participation are at the right level in Zimbabwe to promote effective corporate social responsibility participation. Managerial employees have the right knowledge and interest while there are also reasonable levels of involvement in each industry to provide benchmarks. Pressure groups have also done their role in creating awareness in these issues. The Legislative framework has influence in the uptake while financial resources availability seems to be dominant and so immediate.

5.2.4 To understand if there are any challenges inhibiting firms operating in Zimbabwe from participating in CSR.

The researcher concludes that while there were a number of prospective challenges to the uptake of sustainability issues by Zimbabwean firms, most of these challenges seemingly had a very minimal impact as they are generally mild. Financial resources shortages and weaknesses in the Legislative arrangement seem to present some level of challenges. The major challenge however seem to be ideological in that CSR is mainly seem as exclusively a tool to market the brand and manage corporate publicity.

5.3 VALIDATION OF THE RESEARCH PROPOSITION

The testing of the research proposition conducted in chapter 4 indicates that the results from four (4) out of the four (4) research objectives supports the proposition which states that While there are factors that encouraging corporates in Zimbabwe to take CSR on board, there are a number of challenges that have limited the participation of these corporates in CSR.
Resultantly they have not enjoyed the benefits that could accrue from being involved in sustainability issues.

Therefore the research proposition has been proved correct.

5.4 RECOMMENDATIONS

Given the research findings, conclusions, the following recommendations can be made;

5.4.1 CSR Involvement

Corporate leaders need to change their approach to the concept of CSR and ensure that they take a broader view. This will be need to be supported be annual budgetary allocations, the crafting of CSR codes and policies as well as incorporating CSR issues in corporate strategies. This should effectively increase the level of CSR participation by corporates in Zimbabwe.

5.4.2 Production and Procurement Processes

The production and procurement processes and the resulting products should all be sensitive to sustainability issues. Once most firms embrace this, corporates will start to build partnerships along CSR concepts and those not complying will increasingly become alienated forcing them to adjust their practices so that fit in.

5.4.3 Overcoming the perceived challenges

In line with the need to take a broader view, organization need to appreciate that most of the perceived challenges is only imaginary. The idea is just for corporates to accept that CSR should go beyond the brand promotion objective. There is therefore need to realign all processes to the new and broader CSR philosophy. Pressure groups like NGOs need to change their awareness’ campaigns from promoting the need to promoting effective CSR participation.

5.4.5 Legislation Enhancement

The current legislation on CSR issues need to be strengthened to incorporate effective monitoring mechanisms to identify cases of Noncompliance. There also ought to be some mechanisms to enforce the Legislature including ways to reprimand those that are will be in
breach of the law. Governments officials also ought to lobby and encourage the uptake of this noble idea through the audience they are normally exposed to no rallies and similar functions.

5.4.6 SME involvement in CSR
Small and Medium sized organizations should also be encouraged to be involved in CSR to increase its impact on the societies they operate under. An environmental or social problem that happens in a community can also affect them. Thus participation can reduce the level of impact.

5.6 AREAS OF FURTHER STUDY

The current study has largely explored the benefits and challenges on participation of Zimbabwean firms in corporate social activities. However, it is recommended that further research may be explored in specific areas such as mining, construction and agriculture to find sector specific challenges and recommend sector specific recommendations.
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APPENDICES

1. Introductory letter to respondents
2. Survey Questionnaire
3. Data Response Sheet