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**An evaluation of the effectiveness of adopting Corporate Social
Responsibility as a business strategy to gain competitive
advantage amongst Commercial Banks in Zimbabwe.**

By

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Abstract

Corporate social responsibility (CSR) has become a hot topic in today's business with varied and broad definition. Various CSR theories have been used to explain the concept as a strategic tool to gain competitive advantage and stakeholder theory has been argued to be at the center for the strategic intent and competitiveness. This main objective of this study is to see how commercial banks in Zimbabwe deal with corporate social responsibility (CSR) into their strategies to gain competitive advantage. This study however, using the qualitative approach explore how CSR activities can be used as a strategic necessity or a tool to gain competitive advantage. Different views are gathered from in-depth semi-structured interviews .Further to this ,the study explore CSR as a tool to gain competitiveness using the resource based view that is whether the organization's resources are said to be valuable, rare, inimitable and organizational (VRIO)framework. A multi case study approach for 10 banks from the same industry was used and data was collected using semi structured interviews and analyses using content and cross case analysis. Main findings from the research conclude that CSR is linked to competitive advantage, strategic necessity and is rooted in the organizations' belief systems and values. Further to this, the findings reveal a detailed grouping of sources of strategic necessity and competitive advantage. Findings reveal that there is need for commercial banks in Zimbabwe to consider CSR seriously and integrate such activities to organization's core business for such activities to yield competitive advantage and strategic necessity. For this integration to work, shareholders and the board need to be involved and should develop a culture and CSR policies which support organization's CSR practices. CSR being open minded in nature and difficult to operationalize CSR activities should be seen as integrated and not separated from the environment. The ultimate research goal is to guide commercial banks to be strategic whenever they adopt CSR so that such activities are beneficial to the organizations. The research conclusion reveal that banks need to adopt the integrated approach through considering the social, environmental ,ethical and economic aspects into their strategies for long term benefits and sustainability.

Dedication

This research study is dedicated to all people who have made this research a success including my supervisor as well as my family.

DECLARATION

I, Tendayi Dzeka do hereby declare that this dissertation is a result of my own investigation and research, except to the extent indicated in the acknowledgements, references and by comments included in the body of the report. I also declare that it has not been submitted in part or in full for any other degree to any other university.

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Student Signature

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Date

.....

Supervisor Signature

.....

Date

Acknowledgements

It should be taken into consideration that any research is a result of team work and effort from various people. I would want to express my gratitude and acknowledge to each and every one who contributed to this research.

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List of Abbreviations and Acronyms

CSR	Corporate social responsibility.
CZI	Confederation of Zimbabwe Industries.
HIFA	Harare International Festival of the Arts.
ILO	International Labor Organization.
MDG	Millennium Development Goal.
SCA	Strategic Competitive Advantage.
SME	Small and Medium Enterprise.
UNEPFI	United Nations Environment Programme Finance Initiative.
UNICEF	United Nations Children's Fund.
USA	United States of America.
UZ	University of Zimbabwe
VRIO	Valuable, Rare, Inimitable and Organizational.
ZNCC	Zimbabwe National Chamber of Commerce.

CHAPTER 1

1.0 INTRODUCTION

Corporate social responsibility has become one of today's top discussions in business due to increased social challenges. Spurred by leading strategist and management leaders such as Kotler and Lee (2005; Porter and Kramer 2006), forward-thinking firms around the world are not just taking CSR as merely an ethical responsibility to the society but as a strategic tool that can lead to competitive advantage whilst contributing to sustainable development. (Bhattacharya, Du and Sankar, 2010). Looking at the term corporate social responsibility, it has grown over the past years from being a marginalised notion to a multi-faceted concept globally dating back to the 1960s and 1990s (Jenkins, 2005). Since CSR cannot mean the same thing to different people, it has proved to be a complex practice with different definitions and interpretations throughout the world. CSR may mean an act of legal responsibility or liability, social consciousness, charitable act, fiduciary duty or an act of goodwill by company stakeholders. Since there are many definitions of CSR the study defines CSR as linked to business strategy as a source of competitive advantage.

Business however has been condemned for promoting social ills such as environmental degradation, abuse of natural resources and retrenchment of workers in the name of making profits. CSR is based on the notion that it is the society that legitimises business to function through its support as they make use of societal resources hence societies expect companies to be socially responsible and be good corporate citizens. Most CSR managers believe that building competitive position is the key impetus for companies to engage in CSR as a strategy (McKinsey, Quarterly 2009). Consequently, whilst there is the notion that practicing CSR can result in a firm gaining competitive advantage there seem to be little insight into the real dynamics of adopting CSR as an important strategic competitive lever (Bhattacharya et al., 2010). The link between CSR and strategic competitive advantage (SCA) has not been well established amongst commercial banks in Zimbabwe. Authors like Porter and Kramer (2006),

Branco and Rodrigues (2006), Jonker and Roome(2005) argued that a link exist between CSR and SCA but how CSR influence competitive advantage has not been clear especially in the developing world.The research therefore seeks to sensitise bank executives to have a better understanding of the impact of investing in CSR into their business strategies taking into consideration sustainabilityissuesassociated with the practice as well as its benefits.Most bank executives see CSR as contradictory to the Agency theory and believe CSR is a mere misuse of company resources that can be better spent on in-house company projects which have value addition to shareholders. Hence this research evaluates the Zimbabwean banking sector landscape in order to understand how financial banks are incorporating CSR as a strategy to position themselves in the market.

1.1 BACKGROUND TO THE STUDY

Companies are under pressure today to focus on rebuilding trust to remain competitive globally. Currently business scandals by financial institutions have affected societal confidence not only in Zimbabwe but globally since financial institutions are the backbone of any successful economy. In Africa, CSR seem to be associated with multinational companies .CSR is less formalised and there seem to be no benchmarks with regards to CSR reporting and standards (Kivuita,Yambayamba and Fox, 2005).However the extentto which financial institutions give back to the society can help companies gain competitive advantage in the long run and can be important for economic growth. An example is the BanColdex of Columbia which provides credit lines for sustainable development to customers, the Industrial Bank of China which offers emission reduction creditfacilities, low carbon credit facilities and green financing leasingfacilities (UNEPFI, 2010).According to the UNEPFI Report (2011) no Zimbabwean banks are signatories to UNEPFI Statement on banking and sustainability. Kenya, South Africa and Zambia have banking institutions which are signatories to the UNEPFI. Sustainability of Zimbabwean banks will rely on their ability integrate global best practices such as the ISO 26000 2010, the Equator principle and sustainable business strategies that have been developed to give guidance on international best practise on CSR. If Zimbabwean banks fail to adopt CSR in line with such global standards, this will affect their competitiveness with other banks in the region.

Financial institutions in Zimbabwe lag behind on social investments which can strategically position them to gain competitive advantage. They are aware of the concept, but there is lack of seriousness when it comes to CSR issues. Successful business of today keeps an eye on socially responsible investments so as to be competitive (Robbins and DeCenzo 2006 in Saxena and Kohli 2012). Although most companies such as Econet, BAT, Barclays, and ZIMPLAT have adopted CSR initiatives, most of these companies are internationally linked and have adopted CSR as either legal or, as philanthropy (Chiheve, 2013) or just to copy others. However, the challenge still remains with majority of banks not transcending the spirit of profit making. There has been growing apathy by stakeholders accusing banks of taking advantage of prevailing market conditions thereby charging clients huge premiums for service and transaction charges which are way beyond customer sustenance. This has been worsened by poor supervision by the Reserve Bank of Zimbabwe. Due to the absence of legal recourse to address such issues, customers continue to endure the unscrupulous profit hungry banks and abuse of depositor's funds. Hence with the changing global village, investors are now interested in socially responsible firms to invest in and they now advocate for integrated reporting where banks are required to disclose their CSR activities on annual financial reports.

Zimbabwean financial sector lags behind with regards to investing in CSR issues that serve a need in society where they operate in. Traditionally, Zimbabwean banks do not engage in areas of public welfare but use CSR as an extension of marketing to market their products. Poor corporate governance is the order of the day with the Reserve bank of Zimbabwe failing to effectively supervise the financial institutions. Bank executives abuse depositor's funds and this has resulted in the general public losing their investments (Mazibananga, 2012). Investors and the public sector have lost trust in investing their hard earned cash in banks since there is no guarantee to get expected return on investment. The high interest rates and bank charges (Mazibananga, 2012) have also resulted in the general seeing no reason why they should invest their moneys in banks. Current explanations about strategic CSR are that there is a need to uphold the society and maintain cordial relationships with various stakeholders. Unfortunately, the ailing economy and poor corporate governance has forced most banking institutions to lag behind in CSR practices. Financial institutions view CSR merely as philanthropy, marketing strategy, legal requirement (Mazibananga, 2012). The research seeks to address problems with regards to

sustainability issues for CSR given the current economic situation where resources are scarce. Hence there is need to address this gap of sustainability for banks to gain competitive advantage if banks are to become today's business model. Sustainability is not about monetary sustenance only but also involves environmental issues, meeting customer, societal, suppliers and legal standards (Hopwood, Unerman and Fries, 2010). However, one will wonder whether Zimbabwean banks have taken such issues seriously or are doing it to emulate others with no strategic focus whilst underrating opportunities which come with behaving responsibly. Zimbabwean banks have been involved in non-core CSR activities such as environmental clean ups and donations which are not integrated to any of their core business and strategy. However, this research critically evaluates SCR as a business strategic tool and evaluates CSR benefits and sustainable practices in the financial sector.

Since CSR research has been carried out in the mining and hotel industry, very little has been studied within the banking industry in Zimbabwe except one by Chiheve(2013) in Gweru. What is unique about the banking system that warrant a separate study from the mining and hotel industry and previous research is the type of CSR approach that is voluntary other than previous research which is more of coerced CSR. Also what makes the study unique is that it is going to look at sustainability issues of adopting CSR as a business strategy which has not been done by the mining and tourism industry where it is practised more as a legal requirement or to gain license to operate business.

1.2 PROBLEM STATEMENT

There are various unresolved theoretical and empirical issues relating to the strategic implications of CSR. These include defining CSR, identifying institutional differences in CSR across countries, describing CSR strategies, modelling the effects of CSR on the firm and stakeholder groups, determining the effects of leadership and corporate culture on CSR activity, sustainability issues , assessing the effect of CSR on the firm and stakeholder groups and measuring the costs and benefits of CSR . There has been little focus on the link between CSR

and SCA hence the study will look at the strategic dilemmas of embedding CSR as a strategy to gain competitive advantage and its link with SCA.

Bonacchi and Rinaldi (2007) point out that, in as much as CSR is increasingly being acknowledged in business and academia, business can look beyond short term profit maximization to long term benefits. There seem to be lack of business integration of CSR with strategic management practices and socio-environmental systems that are not anchored in business measurement systems. Hence this has created a gap in CSR studies. The research is therefore intended to gain more relevance since many researchers agree that CSR practices have generally been non-strategic (Jamali and Mirshak, 2007). Hence the study seeks to investigate whether banks are voluntarily using CSR as a strategic tool to position themselves. It seeks to evaluate how CSR is housed as a strategic tool within banks corporate structures as well as challenges faced in pursuit of such practices.

Previous CSR research studies in the third world, does not propose CSR as being adopted as a business strategy but rather as a legal obligation, as a requirement to gain license to operate or as a charitable act by firms (Jamali, 2014). Also no study has acknowledged CSR as a source of competitive advantage which can contribute to economic value in Zimbabwean financial sector. CSR is being adopted also as a way to market organisation products or as transmitting company information but not as two way communication strategy to improve business or position companies. CSR in Zimbabwe is seen as an act of giving back to the society (Chiheve, 2013) and not as sustainable business strategy.

Although business executives are aware of CSR, most CSR practice by financial sector seem to be reactive rather than proactive in dealing with societal concerns. The research therefore seeks to bring together these different CSR programs together to form coherent strategies that bring together these different marketing, philanthropic giving among others under one theme for competitiveness. CSR has not being aligned to core corporate strategy (Mazibananga, 2013) as well as not being communicated well within financial institutions. Although CSR is being practised by some banks in Zimbabwe, there seem to be uneven approaches in terms of adopting

CSR into the business plan. There has been problems with maintenance of old structures and systems as well as lack of stakeholder engagement in order to complement the CSR model and the business plan. Hence there seem to be a bias over building financial capital at the expense of social capital, not knowing that social capital is equally important to business survival as other capitals. Hence the study aim to address CSR mismatches and help bank executives to seriously consider adopting CSR practise into their business strategies and align with corporate goals. There has been general public dismissal of CSR as a result of distrust by the society of financial institutions' legitimate intention other than just to increase their profits. Hence the study will evaluate how CSR is being adopted as a business strategy to create shared value between society and business despite the perceived financial and non-financial benefits of CSR. The research also assist stakeholders and company executives to identify various processes and underlying factors through which sustainable strategic CSR can lead to competitive advantage. The problem with banks in Zimbabwe is the issue on sustainability given the liquidity challenges facing the economy. This study will however contribute to various CSR discussion by developing further the link betweenCSR practices, strategic necessity and competitive advantage addressingfirms' vision and stakeholder involvement. Further, recommendationswill be proposed on how to integrate CSR into organisational core business.

1.3 RESEARCH OBJECTIVES

The main objective of this research therefore, is to see if business can effectively adopt corporate social responsibility as a strategic tool for business continuity and gain competitive advantage. The study will highlight the benefits of adopting CSR as a business strategy and how CSR significantly contributes to construction of social theories. Specific objectives of the research are as follows:

- To evaluate the reasons for adopting CSR as a business strategy and the drivers of CSR in the financial sector.

- To evaluate how CSR is communicated to various stakeholders and how is such communication supported by both internal and external stakeholders for CSR to be a success.
- To evaluate whether there is a link between strategic CSR and competitive advantage given the current economic situation in Zimbabwe.
- . To evaluate the challenges, benefits and recommendations for adopting CSR as a business strategy to gain competitive advantage and overall company growth.

1.4 RESEARCH QUESTIONS

CSR is a source of organisational learning, growth, competitive advantage and is often misunderstood to be acts of charity by organisation. Hence the research seeks to evaluate CSR as a business strategic practice relevant to gain competitive advantage. However, the researcher attempts to address the following questions:

- What are the main reasons for adopting CSR by commercial banks in Zimbabwe and how is CSR adopted for competitiveness.
- What are the organisation's key resources that give the commercial banks a competitive advantage and differentiate them from competitors?
- How is CSR communicated to various stakeholders and how is such communication supported by these stakeholders.
- What is the link between CSR and strategic competitive advantage?
- What are the challenges, benefits and recommendations of adopting CSR as a strategy to gain competitive advantage?

1.5 RESEARCH PROPOSITION

The research is based on the proposition that a firm's strategic competitive advantage is built upon CSR practises embedded into the firm's business model hence there is a positive link between CSR and strategic competitive advantage. Zimbabwean banks need to align their strategic CSR goals with corporate strategic plan, vision and mission such that society does not withhold patronage to an irresponsible business. Research propositions is therefore based on the

notion that, business competitive advantage can spawn from linking corporate strategies with society and nature and that successful business is about competition ,networking ,strategic link and being environmental centric.

1.8 SIGNIFICANCE OF THE STUDY

The global financial crisis ripple effect which originated in the USA, resulted in stock market crash, high job losses, share price crash in the stock exchange, bankruptcy in the real estate and financial sector (Manubens, 2009). It is therefore imperative to deal with the effects of the crisis through practising CSR in order to win public confidence. The research will motivate bank executives to rethink on best possible ways to implement CSR practices in line with global standards and find solutions to link their efforts to their inner corporate strategic plan. The study will also help banks to sustain the Zimbabwean economy through their social function. Chiheve, (2013) argue that the financial sector in Zimbabwe have treated CSR issues as philanthropy while overlooking opportunities and impacts associated with CSR.

Looking at most literature, SCR studies have been carried out in developed world and in Zimbabwe ,research has been mostly centred in the mining, hotel ,SME,NGOs and manufacturing industry. However very little has been researched in the finance sector on the adoption of CSR as a business strategy to gain competitive advantage in the Zimbabwean context. Also according to the UNEPFI Report (2011), no Zimbabwean bank is a signatory to the UNEPFI Statement on banking and sustainability. Hence the ability of Zimbabwean banks to compete among the latter will depend on their ability to adapt to global best standards and sustainability business strategy (UNEPFI, 2010). Also the research will help embed sustainability issues to be a priority in the financial service industry and evoke a need for a paradigm shift in the mind-set of many business leaders. Given the little research on CSR this research can help company leaders to consider SCR as a business strategy to gain competitive advantage as well as help them understand the misconceptions with regards to CSR practices.

The research is also important in that it can motivate policy makers to consider a legal and regulatory framework for the banking and financial service sector so that they are aligned to

global best and sustainability practices. This is so because Zimbabwe cannot afford to overlook sustainable strategies in its business case. Also studies have been conducted in USA, Norway, South Africa, China and Japan to mention a few where regulatory frameworks and level of market efficiency are different from the Zimbabwean context. Similar study was carried out in Gweru by Chiheve, (2013) using descriptive survey to assess the degree of CSR awareness by commercial banks. However this study will look at CSR as a strategic tool for competitiveness using the qualitative and case study approach. The research can benefit stakeholders so that they better understand why CSR can be a priority to adopt it into their core business plan in line with global standards in order to position themselves in the market. Policy makers can also consider SCR practices and link them to corporate governance issues. CSR is not being adopted fully into company's core business strategies, hence the research will enable business leader to strongly integrated CSR into their core business so as to enhance core business strength, core competence and full institutional capacities. Also CSR practices have not been symbiotic and practised to benefit the company but rather as philanthropy in the financial sector. The study will therefore evaluate how Zimbabwean banks are strategically and sustainably involved in CSR practices

The study will also help to clear the various CSR misconceptions and formalise CSR practices in line with global standards so that Zimbabwean banks can be competitive in the region. The study will also help bank company executive's sustainable ways to deal with the current financial crisis. It will also help company executives to be proactive in CSR initiatives and avoid being reactive in response to societal concerns as this can be a source of competitive advantage. This can also help to neutralize the distrust by various stakeholders as far as business legitimate intentions are rather than just to market their products and maximise profits for shareholders. Other research on CSR has studied CSR as coerced CSR rather than as voluntary CSR. This research is important in that this will look at the evaluation of CSR activities as a voluntary practise for the benefit of the company. The CSR information is fragmented and is disconnected from business and strategy (Porter & Kramer, 2006). Hence there is very little literature with regards to CSR being adopted as a business strategy in the banking industry except for America, Europe and the developed world (Buhmann, 2005).

1.9 Limitations of the Study

The study being a qualitative research, applicability of research findings in a different setup or country maybe a challenge since Zimbabwe is a unique country. There can also be limitations on issues to deal with representativeness since only 6 banking institutions are used under this study. Also since this research is carried out in a natural setting, evaluating outcomes may not be systematic and causal inference maybe difficult to measure since results are based on personal feelings and experience. Time constraints may also be a limiting factor as the study may not be exhaustive as well as research findings may not be exhaustive as there might be bias as company annual are also used to give information.

1.10 Dissertation structure.

The structure and presentation of the study will be structured as follows-

Chapter 1:

Chapter 1 covers the introduction to the research study as well as the background of the study. It introduces the topic to the reader as well as giving a layout of objectives and research topics which study is going to touch on. The researcher gives a justification of the study as well as the research gap that is going to be addressed.

Chapter 2: literature Review

Literature review analyses and summarize existing literature on the subject topic. The researcher will synthesize findings. The chapter starts with a brief introduction which includes background of the topic, research context and main topics to be covered. The chapter also synthesize, describes and highlight important debate by various researchers. The chapter brings out the voice of the researcher through a commentary and doing a critique on the relevant literature. Various theories underpinning the study will also be highlighted and analyzed as well as coming up with a conceptual framework .At the end of the chapter the researcher will do a chapter summary. The researcher will find out what instrumentation other researchers used to come up with findings. (Mouton, 2013).

Chapter 3:

This chapter covers research methodology. It gives a detailed justification on the type of methodology used by the researcher to come up with findings. This includes methods used to gather data as well as data collection instruments to gather data from the field. This chapter will also touch on ethical issues concerning the research study. Preparation of data will be presented and theories which come out of the study will be presented and its applicability.

Chapter 4:

This chapter will give analysis and presentation of findings of the study. Findings will also be discussed and presented.

Chapter 5:

This chapter will present the research topic summary on findings as well as conclusions and possible recommendations on research findings. Further research recommendations will also be highlighted.

CHAPTER TWO

LITERATURE REVIEW

2.1 INTRODUCTION

CSR has since taken the business world by storm with expectations that business need to demonstrate a lot of proactive engagements in the society they operate on.CSR is even gaining more attraction in the developing world with company performance being judged along both economic and social impacts. (Jamali, 2006).Since society issues and needs have exceeded government capacities to address them, CSR has therefore been accorded important attention for sustainable development in both developing and developed world.(Jamali &Keshishian, 2009). CSR research has however been fragmented and much slower in the developing world and being wide in scope it has been less involved in corporate strategies unlike in developed world (Baskin, 2006).This chapter focuses on discussing published information on CSR, analysis of existing literature as well as a synthesis of existing literature. The chapter will look at global literature concerning the study. The analysis of literature will be discussed under themes organised around the study topic followed by the conceptual framework as well as various theories underpinning CSR.

2.2 DEFINITION OF KEY TERMS

2.2.1 Corporate Social Responsibility

Dahlsrud (2008) is of the view that CSR is a diverse practice with no universal definition and has various interpretations. He argues that CSR has many interpretations which refer to 5 dimensions namely economic, voluntary, stakeholder, environmental and social dimensions. Despite the many definitions, the definitions are predominantly congruent meaning that lack of a universally accepted definition is not as complex as it might seem (Dahlsrud, 2008).

ISO 26000 defines CSR as organizational responsibility of its impacts and activities on the environment and society through being transparent and demonstrating some form of ethical behavior. Ethical behavior contributes to sustainable development taking into account

stakeholder expectation, health and societal affairs. Although some Zimbabwean companies have committed themselves to CSR investment, most companies have mixed feelings towards the practice whether adopting it voluntarily or as coerced CSR since they believe that CSR tend to conflict with the agency theory.

CSR is when companies demonstrate acts of social and environmental concerns in its business operations, and its interactions with various stakeholders and according to firm's ambition and levels of corporate sustainability (Perez and Rodriguez, 2014). Ahmed, Islam, and Hasan, (2012) defines CSR as the way an organisation attains integration or balance of economic, social and environmental imperatives whilst addressing stakeholder and shareholder expectations. Organisations do this with the view that business has a major contribution in societal wealth and job creation.

Another definition by Uddin, Hassan and Tarique, (2008) defines CSR as the continual commitment by businesses to demonstrate business ethics as they conduct their business and their contribution to economic development whilst at the same time improving quality of life to the society and their workforce. Abbasi, Moezz, Evvazi and Ranibar (2012) also argues that, CSR is an obligation by banks to manage their economic, environmental and social activities not considering their growth and profitability only but societal and environmental interests as well. European Commission (2011) defines CSR as the responsibility of companies for their societal impacts. Kotler and Lee (2005) also see CSR in the same reasoning. They define CSR as the discretionary commitment or business by companies to improve societal well-being and provision of corporate resources. Williams and Aguilera, (2010) define CSR as organisational actions which are context specific and policies that recognise stakeholder's expectations, social, economic and environmental performance. Bihari and Pradhan (2011) define corporate social responsibility as sustainable development contribution by any business. Various authors seem to agree on the lack of universal definition of CSR and the researcher looks at voluntary CSR as a business strategy to gain competitive advantage.

2.2.2 Strategic CSR

Strategic CSR is defined by Werther & Chandler, (2006) in Galan, (2006) as the philosophy of incorporating CSR into organization's strategic operations and perspective. Consistent with

McWilliams, Siegel and Wright, (2006) CSR is referred to as a situations where a company goes further beyond compliance and embark on actions that seem to further the social good, that is beyond firm's interests and that required by law. Taking into consideration the above definitions, CSR in this dissertation is defined as a voluntary strategic intent by organisations that goes beyond maximising shareholder profits but also an act to further social good to gain competitive advantage taking into consideration the interest of various stakeholders.

2.2.3Competitive advantage

Competitive advantage is when a firm develops or acquires features that makes it outperform its rivals or competitors (Stutz & Warf, 2009).These features exists when the firm is able to deliver the same benefits as competitors but at a lower cost (cost advantage), or deliver benefits that exceed those of competing products (differentiation advantage).Thus, a competitive advantage enables the firm to create superior value for its customers and this can, in turn, lead to superior profits for itself.

2.4FUNDAMENTAL THEORIES UNDERLYING CSR PRACTICES

Various theories have been adopted to explain economic units behaviour related to CSR practices which include the Stakeholder Theory, Agency Theory, Resource-based theory and Stewardship Theory. Carroll's(1991) is the most widely used models of CSR and is framed in a way that the whole range of corporate responsibilities are embedded and these include legal, economic, philanthropic, ethical and social responsibilities. Carroll show the responsibilities with decreasing order of importance as shown in Figure 2.1 CSR can be presented under instrumental, political, integrative and ethical theories

CARROLL'S (1991) PYRAMID



Figure 2.1: Carroll's Pyramid of CSR (Carroll, & Buchholtz, 2008.p.45)

Carroll's pyramid has been an important tool of reference to business managers so that they see the various obligations society expect form business operations. However Caroll's pyramid is an integration of the corporate citizenship and stakeholder concept into the pyramid. The base of the pyramid gives economic performance and profitability as top priority in making the foundation forCSR components. This show that business needs to be profitable and shareholders should get good returns. The second is the legal component which requires business to be compliant with the laws whilst pursuing the profit motive. This is followed by ethical responsibility where the society expects the business to act in a socially responsible way. This is followed by philanthropic responsibilities at the top which include societal expectations from business to be good corporate citizen. (Dartey-Baah and Amponsah, 2011).

However Visser (2008) challenged and reviewed Carroll's (1991) CSR pyramid and argues that it is not well suited for developing countries context and suggests that the economic responsibility is the most important followed by philanthropy, legal and lastly ethical responsibilities. Visser (2008) further explains that this is due to the philanthropic need in relation to unemployment, culture, poverty and low investment opportunities. Hence philanthropy is more prioritized over ethical and legal responsibilities in developing countries. Other authors like Jamali & Neville, (2011); (Jamali & Mirshak, (2007) have also concurred with Visser (2008) and accorded philanthropy as top priority in developing countries. Hence evidence suggest that various scholars seem to agree that culture and economic standing seem to play a vital role on how CSR is adopted. This is supported by Jamali(2008) who also agree that different societal groups have different expectations and can influence organization CSR decisions. On the same line these authors seem to agree that a country's context and economic standing affect the way CSR is implemented. This means that there is no a one size fits all approach to CSR, but CSR should be implemented taking into consideration the country context and the environment for them to create value from CSR activities.

2.4.1 CSR and Stakeholder Theory

In the past decades, stakeholder theory has become increasingly common as the frame of reference whenever CSR is discussed (Galbreath, 2009). CSR proponents simply argue that organisations have responsibilities toward stakeholders and cannot be in business if they do not behave in a socially responsible manner. The stakeholder theory is now among the best and reflects the modern companies as integrated, rather than as a separate entity from the society.

The ascendant and central role of the stakeholder is at the center of CSR strategic approach (Balmer, Fukukawa and Grey, 2007; Galbreath, 2009; Polonsky and Jevons, 2009). Hence contrary to the agency theory of Friedman (1970), Freeman (1984) is of the view that business exists solely notto serve the interests of shareholders only but must satisfy various stakeholders needs which includes suppliers, employees, customers, investors and the society. These stakeholders have direct or indirect effect on the firm. The theory implies that CSR activities that are wholly not financial can be beneficial to the firm because absence of such activities will result in stakeholders withdrawing their support for the firm. This theory was further expanded by Donaldson and Preston (1995) who considered the ethical and moral dimension of

CSR(Gallego-Alvarez,2011). Apart from meeting shareholder interests, businessplayers in the service industryalso have a great impact on shareholder value. The authors seem to agree that business exist sorely to save both interest of shareholders and stakeholders contrary to Friedman (1970) theory. Freeman's (1984), stakeholder theory is of the view that managers must satisfy various stakeholders who can influence company activities. According to this argument, it is not good enough for managers to focus completely on shareholders needs only as stakeholders are influential to any business. Stakeholder theory was further expanded by Donaldson and Preston (1995) who argued for ethical and moral dimensions of CSR,and also the business case for engaging in CSR activities.

CSR practices as compared to other firm's practices can influence both internal and external stakeholders and this brings about strategic sense to firm CSR. Internally, CSR activities includes practices of employee motivation and good management whilst externally it involves earning good company reputation in society(Royle,2005).Porter and Kramer(2006) talks of CSR practices that produces value chain activities which then result in the firm gaining competitive advantage. Szekely and Knirsch(2005) also argue that strategic CSR practices can help government stakeholders come up with regulatory rules that discourage bad corporate practices that preserve natural resources. Stakeholders play a significant role if CSR is to lead to competitive advantage.

Organisation's social responsibility can be measured by the goodwill accumulated and ascribed to the company by the society. Russo & Perrini (2010) is of the view that social capital and stakeholder management are alternatives for explaining CSR. Uddin, Hassan, Tarique (2008) argues that long run relationship between firm and its stakeholders can yield business sustainability in the long run. Therefore stakeholder theory is one of the fundamentalaspect of CSR which highlight firm's desire to reflect social and environmental implication of corporate activities (Branco and Rodrigues, 2006).Looking at literature, the stakeholder theory seem to the most persuasive compared to agency theory and is the most fundamental to the study of CSR. CSR should however include environmental and social policies so as to improve organisation's relationship with stakeholders (Abbasi, Kausar,Ashiq, Nasar, and Amjad ,2012).The research study is however, based on the stakeholder theory which proposes existence of various groups

outside and within the organisation which have influence and expect accountability from the company. The stakeholder theory however form the basis for this study.

2.4.2 CSR and Agency Theory

The Agency Theory is of the view that, existence of CSR practices signals some form of agency problem within the firm. This is contrary to the above theories as CSR practices is viewed as wrong usage of firm's resources which can be better used for value creation of internal projects for maximisation of shareholder's wealth. Linking to (Friedman, 1970) the theory argues that CSR practises benefits executives given that management use CSR for the betterment of their careers and personal agendas. Contrary to Friedman's argument shareholder value creation is misunderstood in business (Schauten, Stegink, and De Graaff, 2010) where focus is mainly on profit maximization that is short term. Societal value as well as shareholder wealth which focus on long term growth is the main focus of this research. This creates a shared balance that can be referred to as 'shared value' (Balmer et al, 2007). This balance creates a construct of a business that is economic, ethical, legal, and socially responsible and sustainable. The link between CSR reporting and corporate reputation can be also analysed through the concepts of corporate governance and agency theory (Fombrun, 2006). According to the shareholder view, business is all about economic and not about social goals. Therefore companies need not be concerned with social goals

2.4.3 Other Theories

CSR in the past years has gain prominence among scholars from diverse disciplines (Dentchev, Heene and Gosseli, 2005). Apart from the above theories which are directly linked to CSR other theories which have been used includes Strategic Leadership Theory, Institutional theory and the Stewardship Theory. Institutional theory states that various institutions play a crucial role in shaping any consensus within an organisation concerning the development of an ecologically sustainable institution. The theory looks at more resilient and deeper aspects of the social structure and considers processes by which structures including rules, norms and schemes are established to bring meaning and stability to social life (Jennings and Zandbergen (1995).

Another theory is the strategic leadership theory which argue that CEO leadership aspects can influence the propensity of organisations to engage in CSR. It is leaders who can translate strategy into action ,initiate change and align organisations and people (Pearce, 2008) .(Waldman,Siegel, and Javidan (2005) are of the view that businesses run by CEOs who are intellectually stimulating do more strategic CSR as compared to comparable firms. There is also the stewardship theory which argues that there is a moral imperative by managers to act in the right manner regardless of how the decision will affect financial performance of the firm(McWilliams et al., 2006).

2.5IMPERICAL REVIEW OF LITERATURE

2.5.1CSR and Competitive Advantage

CSR has become an important part of corporate actions and if managed effectively can create great benefits to the firm in terms of business reputation, employee loyalty, huge returns as well as strengthening partnerships with stakeholders (Pearce & Doh, 2012). Many factors can influence the relationship between CSR and competitive advantage which include management ideologies, organizational values, stakeholder relations, internal resources and societal expectations (Filho, Wanderley, Gomez and Farache, 2010).Zadek(2006) argue that this can be a source of competitive advantage pointing a positive relation between CSR and competitive advantage.

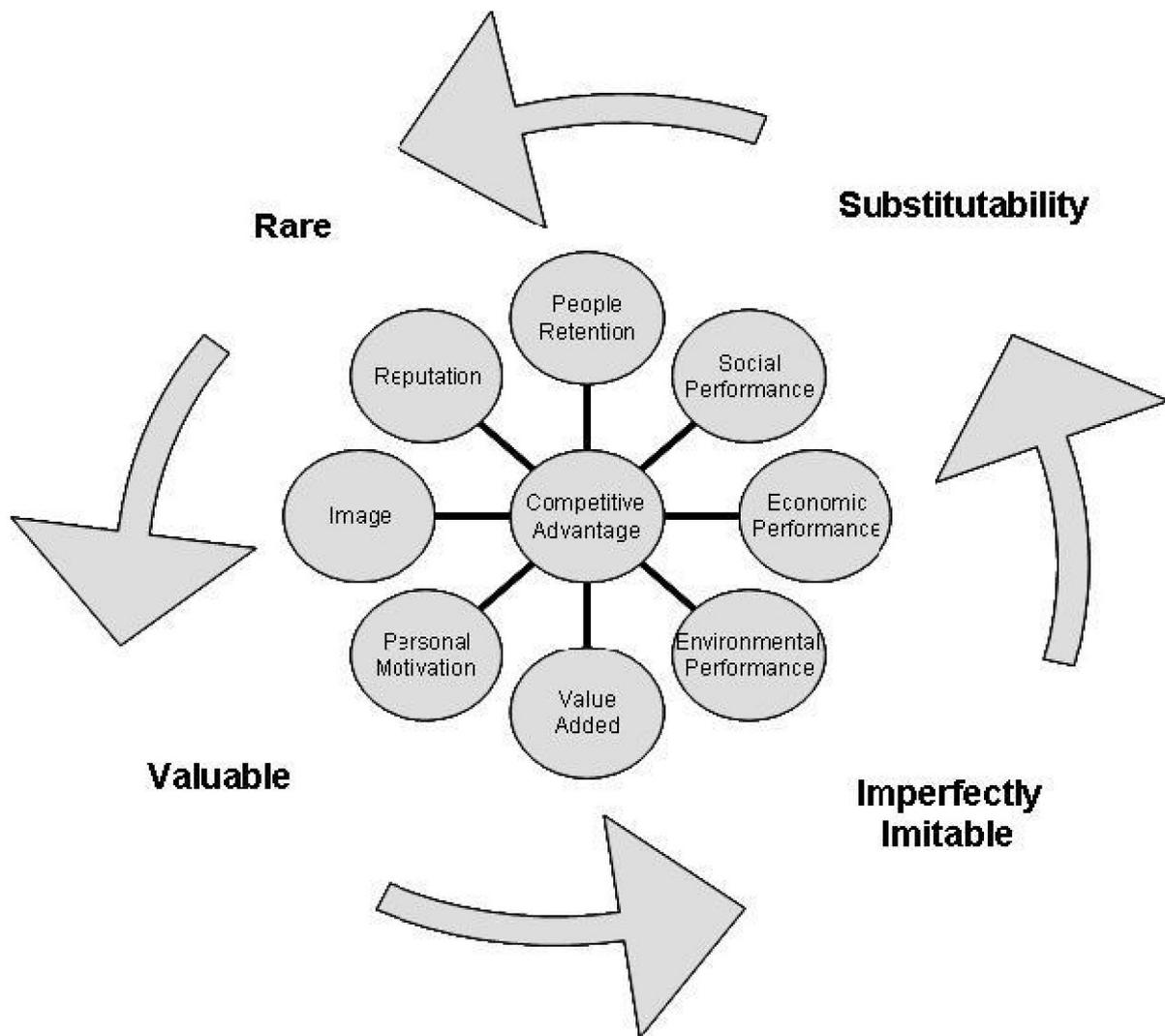


Figure 2.2: Sources of Competitive Advantage

Source: Filho, Wanderley, Gomez and Farache, (2010 p.g 305)

Figure 2.2 demonstrates the theoretical framework according to (Filho et al, 2010). They assert that strategy formulation is a result of understanding stakeholder needs, values, external environment opportunities industry structure and internal competencies. However these variables are essential in the formulation of any business strategy. Also looking at the resource-based theory and empirical evidence on business gains (Zadek, 2005), the link between competitive advantage and social strategy is evidenced by improved image and reputation, employee retention, better economic performance and total value. As such these when legitimized by the

society, can be a source of competitive advantage if business makes them inimitable, rare, irreplaceable, and valuable (Filho et al, 2010).

Zadek (2005) comes up with three generations of organisations in accordance to their competitiveness. He referred to companies with pain alleviation and short-term strategies as the 1st generation companies. He argued that these companies have a short-term pain alleviation strategy whilst 2nd generation companies develop risk management and strategic planning policies. He argued that 3rd generation organisations are companies that incorporate CSR into their strategies concurring with (Filho et al, 2010)

There is also need to understand social issues when it comes to incorporating business strategies. Porter and Kramer (2006) come up with three issues which are social dimension of competitive context, value chain and generic social issues of the competitive context. He argues that socially generic issues are of great importance to the company but does not affect company operations directly as well as its competitiveness in the long run. Value chain issues are affected by business operations whilst competitive context is when the external environment affects competitiveness and the direction of the company. Hence for Porter and Kramer competitive context is the most important followed by value chain and then generic issues (Porter and Kramer (2006)). They argued that for a company to be competitive it needs to adopt all the three variables. Another study by Ferdous and Moniruzzaman, (2013) in his study in Bangladesh finds out that CSR is an important tool to gain competitive advantage and this positively impact on bank reputation, customer perception and employee behaviour. With the same view, Porter and Kramer, (2006) agree with this argument adding that socially responsible firms are innovative, gain opportunity and competitive advantage ahead of competing firms. Findings from cross industry supplier study reveal that corporate practice of CSR enhances customers' trust, whilst philanthropic CSR fosters customer-company identification (Homburg, Stierl and Bornemann, 2013). They argue that customers are not retained unless business is connected to society.

Relano (2011) in his comparison for traditional and social banks in Germany find out that only social banks do what they say. He argue that traditional banks main objective is mainly to maximise shareholder profit whilst social banks make a combination of social returns with

financial surplus. He also states social bank's objective is not only to maximise profit but to make business conciliate with the economy and society in a sustainable long term strategy.

Another study by Zorn(2009) in sub-Saharan Africa agree with Porter and Kramer's framework that firms can generate economic gains whilst helping the society for a good cause. Also Bhattacharya, et.al , (2010)their study in United States of America 2010 ,found that designing CSR strategy business must target important consumer concerns and showcase CSR initiatives efficacy as competitive booster. He further argues that management should not hide their marketing motives and over sell their altruism whilst practising CSR. He however maintains that effective brand loyalty and trust can drive CSR strategic returns. Generally, it is common for businesses of today to face strategic challenges. However, it is how business become environmentally and socially sustainable alongside with immediate business survival issues so that they can position themselves strategically in the competitive market .One such strategy is about the business being socially responsible and eventually give organizations an opportunity to gain competitive advantage, open new markets and increase market share(Porter and Kramer, 2006).An organization can be highly central if CSR activities that are in congruence with the firm's mission and goals. This thinking is supported by Munilla and Milles (2005) who agree that adopting CSR in a strategic manner leads to a firm gaining competitive advantage.Munilla and Miles (2005) also argue that by practicing strategic CSR a firm can achieve a cost or a differentiated position in the industry. But they argue that if a firm is coerced to engage in CSR then its ability to create value diminishes hence no form of competitive advantage is achieved. On the other, Branco and Rodrigues (2006) argue that socially responsible firms can achieve competitive advantage if their activities are rare, valuable, organizational and inimitable (VRIO) framework by (Barney 1991).Looking at the various authors arguments, voluntary strategic CSR seem to yield positive results as compared to coerced CSR.If CSR is strategically adopted it can lead to a firm gaining competitive advantage hence a positive relationship between CSR and competitive advantage.

2.6 Dimensions of CSR

2.6.1 CSR Legal Dimension

Ojo, (2011) find out that governments have a crucial role in regulating CSR practices since financial institutions are difficult to monitor and play a crucial role in the economy. On the same view, Jamali and Mirshak (2007) are of the view that ethical and legal dimensions are taken for granted, ignored or are not accorded the importance it deserve in the developing world.

2.6.2 Ethical Dimension

Ethical issues in the developed world remain peripheral and is not integrated in organization strategic planning and forecasting (Porter and Kramer,2011).On the other hand, Galbreath (2006) talks of responsible, transparent, sustainable CSR and accountability which are driven by good corporate governance, stakeholder dialogue, and ethical practices incorporated into business strategy.

Aroni (2009) makes an evaluation of emerging trends in the practices of CSR as adopted by listed firms in Kenya. The study takes a general look into CSR practices making more emphasis on environmental concern and not just financial gains. Results are that well run organisations which exercise good corporatism do not give back to the society only but also malfeasance actions .This study however contributes to literature by looking at the progress achieved in engaging in CSR activities in Kenya. Another study by Masud and Hossain (2012) is of the view that, accountability by business organisations extend not only to shareholders but to various external parties through socially responsible activities. However these socially responsible activities are no longer regarded as a financial burden but rather as social capital investments (Tjia and Setiawati, 2012).

Another study by Ganga, (2012) in Singapore came up with findings that, whilst legal and ethical dimension of CSR might be a predictor of organisational commitment, the economic and discretionary dimension is not. Hence not all dimensions have equal importance on company commitment. Using the multiple regression analysis, he also makes a conclusion that, as much as company internal stakeholders are concerned, corporations are required to be organised internally. They need transparency, good corporate governance, fairness, good ethics and need to

be accountable before venturing into greater societal challenges or focusing on maximising profits.

However in the Zimbabwean context, Nyahunzvi, (2013) studied hotel groups and finds out that the hotel industry give preference to financial performance and not environmental and social themes in their reporting on CRS issues. His study however confirmed that CSR practices are still peripheral and lag behind as compared to developed countries. Nevertheless ethical practice create great value in business entities, greater customer satisfaction and in the long run good competitive advantage (Holme, 2010). Corporate ethical identity is determined by CSR (Hildebrand et al, 2011) since it provides stakeholders with an insight of the organization's systems and values (Balmer et al,2007). Meaning that if organizations behave in an ethically responsible way, this will result in customers favouringsuch organization. Evidence in literature show that voluntary CSR yield better benefits as opposed to coerced CSR.

2.6.3 CSR and Philanthropy

According to Ricks (2005), Corporate Philanthropy is a firm's discretionary responsibility that involves voluntarily choosing allocation of resources to social and charitable service in order to achieve business related and marketing objectives. According to Porter and Kramer (2006), business can use corporate philanthropy to enhance their competitive advantage since strategic corporate philanthropy can align the economic with social goals for profitability thereby developing long-term organization success.

Jamali(2014) in his study of developing countries and the Middle East showthat strategic CSR cannot be separated from context although CSR in the developing countries continue to take a philanthropic form. From his secondary review of literature he finds that institutional factors such as culture, religion, politics, law, business associations and the society affect how CSR is perceived and practiced. He also argues that to take CSR to the next level, business need to go beyond philanthropy, legitimization, public relations and rhetoric CSR to a more sustainable and strategic approach.

However, in the Zimbabwean context, Chiheve (2013) make a study on CSR by commercial banks in Gweru.He finds that CSR by commercial banks in Gweru is merely corporate philanthropy and is mainly practiced as a tax relief. Bank management seem not to find any

value attached to CSR practices and insists that CSR should remain voluntary .He also argues that although managers are aware of CSR practices and seem to comply with international standards, they lack conceptual and theoretical understanding of CSR .A different study by Mandiona, Maravire and Masere,(2014) in Unki mine suggest that philanthropic practices by companies enhance corporate image. They however recommended that although philanthropic practices enhance corporate image, more benefits could be achieved if they invest more in ethical, legal and economic dimensions of CSR. This shows that researchers acknowledge that there are more benefits associated with voluntary CSR. Other investigation on CSR find that business can secure financial benefits, competitive advantage (Luo and Bhattacharya, 2006; Vaaland, Heide and Gronhaug, 2008) and create brand legitimacy which in turn can enhance stakeholder relationship with corporate brand.

A firm must realise that it should give something back to the society and the environment they operate in the form of philanthropy and goodwill without expecting anything in return. (Galbreath, 2006). Leisinger (2007) defines philanthropy as donating resources in support of organisational efforts intended to benefit the society. Porter and Kramer (2006) presents philanthropy that is context-focused .This requires firms to use their core competence and unique attributes to address social needs in corporate context thereby combining society and business.

Porter and Kramer (2006) talks of strategic philanthropy which requires organisations to use their core skills and unique attributes to take care of societal needs. In the developing world, CSR seem to be less formal, fragmented and philanthropic in nature (Visser, 2008).

2.6.4 Economic Dimension

If banks become socially responsive, they build their reputation and enhance their public image which in turn can position themselves in the market .Once a positive image is created this can attract customers and also can attract more investors that have strong influence on their stability in the long run .By doing this they can win investors and employee trust (Brettel and Arendt, 2010; Achua, 2008).

Meehan et al (2006) also argues that CSR can be integrated into the corporate strategic management process and can be a source of competitive advantage. They are of the view that

this can be a key aspect in the overall corporate success rather than viewed as a means to drain corporate resources. Such practices can result in change of consumer attitudes towards the company and their products will be preferred in the market. Negative perception by consumers may lead to consumers boycotting such certain services offered. Hence businesses are offering their CSR practices a lot of publicity through media coverage so as to achieve competitiveness(Luo and Bhattacharya, 2006).Evidence show that stakes are higher in financial institutions since customers normally have greater involvement with such institutions (Matute-Vallejo et al, 2011).

He further argued that business apart from offering improved benefits to the society it also benefit the firm financially and many other tangible rewards which he called reciprocal strategy. Galbreath, (2006) referred to reciprocal strategy as enlightened self-interest that seek to resolve conflicts between social, moral, environmental and economic objectives as expected by the society. Hence reciprocal strategy is a proactive approach to CSR that goes beyond legal requirements through providing benefits to the society whilst proving economic benefits tied to core business of the organisation (Galbreath, 2006). Looking at CSR from a strategic point of view, its practice must be a genuine management strategy that is embedded in the core of business of an organization(Hazlett et.al, 2007).He argue that banks shouldact responsibly and minimize negative impacts such as unbearable interest rates, abusing depositors funds among many other issues. Although most researchers argued for a positive link between CSR and financial performance, Saxena and Kohli(2012) in their qualitative study of Indian banks argued for a weak link between financial performance and CSR. They argued that it would take a while for CSR to influence financial performance. Contrary to this argument, Galbreath, (2006) argued that CSR yield positive financial gains to the firm. Hence looking at literature there is evidence that CSR practices create economic opportunities although Drews,(2010) argue that current approaches to CSR fail to give practical measurement framework for individual CSR practices.

2.6.5 SCR and sustainability

Hahn (2011) is of the opinion that sustainability issues must be taken into consideration when adopting CSR as a business strategy. In strategic sense, CSR investments are not just business

costs but are vital for a firm's continued survival in this highly competitive environment of today.

Waldman .et.al. (2005) are of the view that strategic leadership also help policy makers to consider SCR practices and link them to business strategy. The rationale of this study is justifiable because of the growing perception among companies that shareholder value and sustainable business success cannot be achieved through maximizing profits only, but also through market oriented and responsible behaviour (Halabi et. al, (2006). Companies are aware that they can contribute to sustainable development by managing economic growth and increase competitiveness. There is therefore evidence in literature to suggest that if CSR is embedded into corporate strategy it can lead to sustainable and superior economic performance.

2.7 CSR Customer Perception and Corporate Reputation

A study of western and eastern economies confirmed the positive relationship between corporate reputation and CSR reporting mostly in the USA compared to eastern economies. He also added that corporate transparency, quality and quantity of information are important for the success of CSR programmes. Using the quantitative study in Spain, Perez and Rodrigues (2015) made a comparison between commercial and savings banks. Findings revealed that CSR perceptions can positively impact on client identification. Results indicated that CSR is crucial for commercial banks to recover customer loyalty and societal trust. Evidence from the study revealed that savings banks with a long history of CSR activities reported better results. Hence he argues that commercial and savings banks need to recover trust by incorporating CSR practises into their core business. Perez and Rodrigues (2015)

CSR practices improve reputation of banks and it can boost stakeholder goodwill thereby creating market value (Manubens, 2009). Chowdhury (2011) demonstrated a positive relationship between ethical marketing and bank performance since through CSR activities banks can improve their reputation in the customers mind thereby causing greater differentiation with its competitors. He also argued that this can reduce cost resulting from customer dissatisfaction and operating expenses. Good reputation and goodwill are argued by Ricks, (2005) as important resources although intangible in nature.

A study in Kenya by Kubai and Waiganjo(2014) states that customer perception is influenced by CSR activities and companies should consider such practices that have a bearing in society and at the same time can improve company image. Rundle-Thiele (2008); Auger, Devinney, Eckhardt and Birtchnell, (2006) and Bhattacharya, (2006) argue that CSR practices are positively linked to customer satisfaction. The study by Auger et.al, (2006)also confirmed customer preference towards ethical and social issues across six countries namely Spain, Turkey, Germany, Korea, India and USA. Their key findings are that CSR practices are positively related to customer perception and when there is positive perception this can lead to competitive advantage.

2.7.1 CSR Disclosure

Lipunga,(2013) carries out a longitudinal study to gain more insight in CSR disclosure trends in Malawi commercial banks. Key findings are that Malawian commercial banks lag behind in terms of CSR disclosure. Low disclosure on CSR maybe due to banks perception that their services has little or no effect on the environment. But this is challenged by (Hossan and Reaz 2007) who argue that disclosure on CSR is seen as having positive impact on reputation building .They also argue that CSR disclosure enable banking institutions to access capital markets. (Branco and Rodrigues, 2006, Ahmed et al, 2012) also find that since banks use resources such as energy and paper, they should strike a balance between social and economic goals.

According to Branco and Rodrigues (2006), banking activities such as investment and lending policies are equally environmentally sensitive compared to polluting industries that are also dependant on banks. Hence for accountability purposes, banks are required to disclose social related practices they may embark on.(Hossain and Reaz (2007) on the other hand argue that, because of information asymmetry, private information disclosure is imperative since it results in economic efficiency gains. CSR disclosure is also a critical instrument concerning dialogue between society and business as this can help banks to efficiently access capital markets (Branco and Rodrigues, 2006).Hence Masud et al (2012), argue that since banks are important to any economy, they are required to report CSR activities in their annual reports so as to develop a society that is accountable.

2.7.2 CSR and Shareholder Strategy

Galbreath (2006) also find out that CSR practices cannot be separated from business strategy to remain competitive and that CSR has financial benefits. CSR motive is to maximise shareholder returns and this can be aligned to Milton Friedman who argued that pursuing accountability to owner's capital and maximum profit is enough to meet social responsibilities. Friedman also argued that, fulfilling shareholder profit maximisation obligation cannot only yield survival benefits but can contribute positively to the prosperity and wellbeing of the society (Galbreath, 2006).

Relano, (2011) come up with two types of banks which are the traditional and social banks. He argued that traditional banks main objective is to maximise profits whilst social banks on the other hand combine both financial and social returns. Social banks ultimate goal is to the ability of the bank to conciliate society, economy and the environment in the long-term strategy. However he is of the view that, social bank's philosophy is to magnify benefits for the society rather than maximising shareholder return. Also commitment by social banks with regards to sustainable development is not a mere marketing approach but an integral component of the bank overall activity.

2.7.3 CSR and Stakeholder Approach

A study in Kenya by Murila (2013) using the case study approach assess knowledge and awareness of CSR by external and internal stakeholders in firms. He observed that the local community and management in Kenya are aware about CSR but employees feel that the community is not aware of such CSR practices and are not involved. When various stakeholders are engaged in organisation CSR activities, management can comprehend various social realities and in turn understand societal needs and trends (Brugmann and Prahalad, 2007). Galbreath (2006) and Nidumolu and Prahalad, (2009) appear to agree that a firm should recognise various stakeholder interest and firm should proactively seek dialogue with various stakeholders and integrate their needs into corporate decision making for sustainability and competitiveness.

2.7.4 CSR Generic Organisation Strategies.

Various research scholars are of the view that practising strategic CSR can help firms achieve a differentiation, cost leadership or both of the generic strategies as seen in lowering production costs, improving production quality, differentiation of firm's products and improving packaging

(Porter and Kramer, 2006). Generally, strategic CSR practices can help project a socially responsible image that is ethically driven and an environmentally sensitive organisation (Crawford and Scaletta, 2005). Mc Williams et al. (2006) also argue that consumers are willing to pay a premium for a company product which pay attention to CSR practice. Developed countries customers prefer organization that practice CSR. Bhattacharyya (2010) is also of the view that in certain strategic CSR can generate resources that are not easily substituted by non CSR activities. Other authors explain that CSR practices can help firms develop competencies and confidence to venture into new markets (Brugmann and Prahalad, 2007).

In line with this thinking, Matute et al. (2011) in a world where customer confidence in banking industry has been compromised, looking for answers to rebuild trust and customer loyalty becomes a priority for marketing and strategic management. Previous studies in Zimbabwe have also analysed the link between CSR practices and company performance. On the other hand Bhattacharyya (2010) finds out that when CSR is practiced in support of business external and internal activities context, it however assist the business in following both generic cost leadership strategies or product differentiation. Hence ultimately CSR strategies that follow generic strategies or helps business create strategic resources will ultimately result in a firm gaining competitive advantage through securing new opportunities.

Porter and Kramer, (2006) makes a proposition that if business were to analyse CSR prospects using the same framework that govern their core business, then they must realize that CSR can be more than a cost, charitable deed or constraint. CSR can therefore be a source of innovation, opportunity and competitive advantage for any business (Porter and Kramer, 2006). Not only does strategic CSR lead to competitive success but a firm can identify societal problems they are well equipped to help and gain the best competitive benefit (Porter and Kramer, 2006). Self-sustaining solutions are achieved when social issues are addressed if organizations use resources and expertise to problems they understand and have influence on (Porter and Kramer, 2006). Other literature indicates that, companies should find societal needs that blend with their type of business or expertise (Cochran, 2007). Any firm strategic activities should be aligned to the vision and mission of the organization (Yeoh, 2007). Basically, literature show that CSR is

about companies managing their business processes well so that they make a positive impact in the society.

2.7.5 CSR and Innovation

Previous research argue for a positive link between innovation and CSR practices based on the notion that CSR create opportunities for innovation. On the other hand an empirical study by (Gallego-Álvarez, Manuel Prado-Lorenzo, and García-Sánchez ,2011) show a negative relationship between CSR and innovation unless companies implement innovation strategies linked to CSR practices of sustainability. They argue that less innovative firms can differentiate themselves through improving their behaviour on sustainability issues (Gallego- Álvarez et al, 2011).However from a theoretical approach(Hull and Rothenberg, 2008) argue that various authors agree of a positive relationship between innovation and CSR.Using the sector analysis the relationship between CSR and innovation can be different in different sectors (Hull and Rothenberg, 2008) and Pavelin and Porter (2008) and the more resources invested towards innovation the less sustainable practices by firms(Hull andRothenberg, 2008).

Relano,(2011) comes up with two bank CSR models which are ordinary and innovative CSR: The first model is about developing code of ethics, getting green certification, donations and having internal stakeholder programs mainly to improve company reputation. Innovative CSR constitutes the actual social role of the business and developing new ways of doing things, through tri-sector partnership and innovative programs mainly to generate real value to the society and customers. (Bazoli, 2008; Kulinska-Sadlocha and Munyama, 2010) asserts that CSR principles ifproperly applied in the banking system have power to improveand put transparency in transactions.A study by McManus (2008) showed that, well-managed companies are taking CSR seriously and CSR has become the standard business practise and theory. For CSR to be a success, company executives should focus on making CSR a reality by embracing it as a business strategy that can drive innovation and growth to gain competitive advantage.

2.8 Business Gains of CSR Practice

Galbreath, (2009) sees CSR as beneficial for society and businesses and believes that better understanding of CSR potential benefits for individual company competitiveness can result in

huge return on investment which can then be incorporated into business strategy for business growth. In the Zimbabwean context, the challenge of how CSR is perceived remains a challenge and is far to reach this level of social service than merely paying a lip service. Banking sector cannot be excluded in the global village where organizations are in constant pursuit for technology, environmental issues, employee welfare, diversity and community relations. Zimbabwean businesses can maximize their long-term returns by minimizing their negative impacts as evidenced from their voluntary reporting on CSR sustainability performance (Halabi, et al. 2006).

Bhattacharyya (2010) argues that any form of strategic activity can result in substantial benefits to any business. He also argues that, although the various business gains are manifested differently, they can help any firm gain competitive advantage. Further to this, Porter and Kramer (2006) refer to this as sustainable competitive advantage. They argue that this can be achieved through a combination of the firm following generic strategy, strategic resource development, creating opportunities and help manage stakeholder influences. Such activities can be strategic as it can help a firm develop new market opportunities (Bhattacharyya, 2010). CSR activities also help firms spread their reputation and goodwill to various stakeholders (Frynas, 2005). On the same view Gupta and Sharma (2009) argued that various researchers discovered a positive relationship between social, financial and non-financial business performance.

CSR has also be studied as voluntary and non-voluntary CSR ,CSR and sustainability and CSR linked to best practice and corporate governance. Bhattacharyya (2010) come up with a conceptualised theoretical framework that can help managers to comprehend strategic CSR practices and evaluate existing CSR practices. With the same view, Sharma (2011) argues that in the 1960s, CSR applied business resources in a socially responsible way but today business practice looks at sustainable development through linking social, legal, economic and ethical standards. Sharma (2011) further reiterated that the banking industry seem to be committed to the principles of CSR around the world and that CSR practises can improve brand image and overall performance of a bank.

Husted and Allen (2007) lookat the issue on value creation through strategic CSR. Their findings suggest that management need to understand CSR similarities and differences if traditional

corporate activities organisations are to gain value creation by adopting CSR practices. They then proposed that CSR can be integrated into organisation processes to create capabilities and resources that lead to superior economic performance and competitive advantage.

Bursted and Allen (2008) carries out another research which looks at the relationship between local and global CSR to international organizational strategy. Results of their study support the proposition that stakeholder pressure on institutions and not social strategic analysis are guiding principle when it comes to CSR decision-making .Their conclusion is that multinational firms should take cognisance regarding integration pressures and how responsive are salient stakeholders when there is need to be successful. Bursted and Allen (2008) argues that if companies are to be innovative, they must move from creating shareholder value to shared value by all stakeholders.

2.9 Literaturesynthesis

Literature indicate that CSR practices have represented a paradigm shift for most business companies(Jamali and Mirshak,2006) .Looking at literature ,CSR seem to be more centred on the stakeholder and resource based theories. Various authors seem to agree that the economic responsibility of CSR is the most important in the study of CSR (Visser, 2008;Dartey-Baah and Amponsah, 2011).Although some authors like Jamali and Mirshak, 2007; Jamali and Neville, 2011 agree with the economic responsibility, they accorded philanthropy as top priority in the developing world. Most authors also agree on the stakeholder as the frame of reference whenever CSR is discussed in literature (Galbreath,2009;Balmer,Fukukawa and Grey,2007;Warrem,2007;Branco and Rodrigues,2006;Polonsky and Jevous,2009 and Murila,2013).Others like Pinkse,(2006) on the other hand argue that RBV theory forms the competitive foundation for CSR strategies supported by (Mc Williams et.al,2006).The various authors agree that if firms adopt CSR strategically, its behaviour is observed through the RBV lens. Evidence in literature suggest that if business becomes environmentally responsible through CSR initiatives ,they can strategically position themselves in the market(Porter and Kramer,2006;Zorn,2009;Bhattacharya.et.al,2010) and CSR becomes an important tool to gain competitive advantage(Ferdous and Moniruzzaman,2013).Looking at literature, various authors agree that adopting CSR in a strategic manner and incorporating it into organisation mission and

vision can lead to competitive advantage (Munilla and Milles, 2005; Porter and Kramer, 2006; Branco and Rodrigues, 2006).

Banks have traditionally been profit driven and CSR has generally been seen as an expense and not an activity that can be used to gain competitive advantage. Whilst there are different conceptions of CSR, the economic/strategic perspective of CSR has not been considered seriously by banks in Zimbabwe, which is something that this dissertation intends to address.

2.9.2 CONCEPTUAL FRAMEWORK

Various attempts have been made to interpret the link between competitive advantage and CSR. Despite the certain positive results of such attempts, partial perceptions about the whole picture have been provided about the relationship (Saeed & Arshad, 2012). CSR Framework from the literature review has been determined by company need to effectively channelize available resources for CSR practices. Inputs for CSR development framework has been taken from study literature by Carroll (1991). This has however helped in developing the conceptual framework of CSR. According to CSR pyramid by Carroll's (1999), business embrace economic, ethical, philanthropic and legal responsibilities. Sharma and Kiran (2012b) study show why case studies are important for the development of a CSR framework. Maon, Lindgreen and Swaen (2009) proposed a need for an integrated framework for CSR implementation and design. The literature provides a variety of views of researchers regarding CSR definitions and underlying dimensions (McWilliams *et al.* 2006). In order to synthesize existing views in literature concerning CSR, the researcher come up with a conceptual framework which represents an integrated way of evaluating the research problem (Raj, 2014) as shown by the Figure 2.1 below.

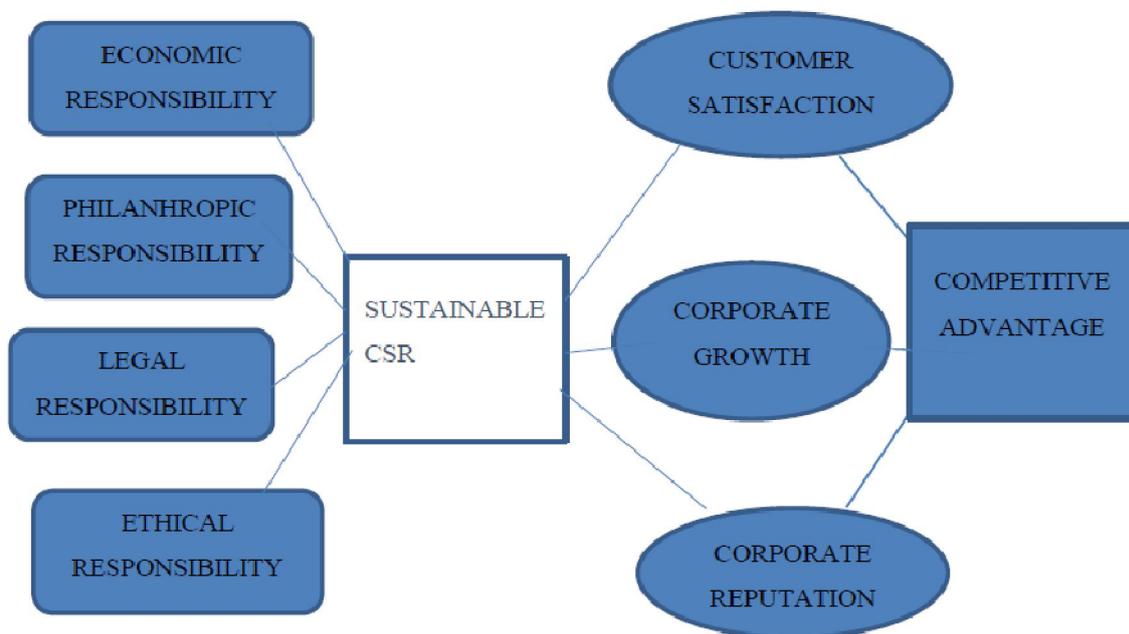


Figure 2.3 Conceptual Framework

2.9.3 Summary and Conclusion

Literature generally asserts that if firms are to be innovative and competitive, they should move from focusing on shareholder values only to a shared value by all stakeholders. Literature also agree that CSR should be integrated into business processes so as to create capabilities and resources that can lead to superior economic performance and competitive advantage. Literature also show that CSR should be adopted as a voluntary practice bearing in mind that CSR investments are not just business costs but are crucial for business survival in this highly competitive environment of today.

CHAPTER 3

RESEARCH METHODOLOGY

3.0 Introduction

This chapter describes the research philosophy, research design, and research strategy that the researcher used to carry out the research.

3.1 Research design

The researcher used the exploratory research design using the case study design of 5 commercial banks. According to (Babbie,2008), a case study can be described as a unit of analysis from which researchers gather information in order to derive meaning of ideographic and nomothetic explanations to certain phenomena. And this unit may refer to organizations, individuals, place and event. Babbie, (2008) asserts that, case studies are the most preferred in qualitative research because they are compatible with qualitative research methods which are unstructured interviews and participant observation. However case study approach was relevant for this study since semi-structured interviews are employed to gather data.

Case study design is helpful in the gathering of data of a detailed and intensive examination of a certain phenomenon by analyzing individual cases. Hence 10 commercial banks were randomly selected so as to generate robust evidence per case study. Yin (2003), argues that research design being a logical sequencelink empirical data toresearch study's and research questions and ultimately to its conclusions. Research design guides the researcher in gathering,interpreting and analyzing data such that the researcher can draw inferences on causal relationships of the variables being investigated.

In order to study CSR from a perspective that is sensible, the researcher decided to carry out a qualitative research using an inductive approach. The choice is more appropriate since the research position is of social constructivism and it sees reality as societally and socially

embedded (Grbich, 2007). However by using the exploratory approach the researcher hence aim to develop CSR theory further inductively. Eisenhardt and Graebner (2007)also stresses that qualitative data offer insight among social processes that are complex. Therefore the study is broadly scoped to give the study more flexibility to gain some sense. (Eisenhardt &Graebner, 2007).

3.2 Research Philosophy

There are various research philosophies which are interpretivism, positivism, realism, and pragmatism. However this research study takes the interepretivist paradigm approach. Interpretivists are of the view that it is through subjectiveinterpretation that reality can be understood and interpreted.Interpretivist study phenomena in their natural settings but they also acknowledge scientific interference to such phenomena being studied. On the other hand positivists are of the view that reality is described, stable and observed objectively.Hence the researcher took the interpretivist paradigm since the research takes place in a natural setting to investigate human perception.

3.3.1: Interpretive Approach (Phenomenological Approach)

Interpretive approach can be based on the notion that human phenomena distinct from the natural. (Babbie and Mouton, 2012).This approach seeks to understand and interpret human behavior instead of predicting or explaining human behavior. Thisapproach usesqualitative research methods which include unstructured interviews and discourse analysis to construct reality and investigate perceptions in organizationsby employees and shareholders (Saunders, 2007).De Vos, Strydom, Fouche and Delpont, (2011), further asserts that the interpretive approach see human beings as engaged in the sense making process of the world they live in as well as give meaning, define and rationalize their daily actions.

3.4 Research Approach

Generally, there are two standard research approaches namely quantitative and qualitative. (De Vos, et al, 2012).Some research can be studied using a blend of the two approaches(mixed method). . Two approaches, which are quantitativeand qualitative, are the most dominant through which studies in various disciplines are conducted (Saunders, Philip and Thornhill, 2009).The research objective of this research is to evaluate whether strategic CSR leads to competitive

advantage. Research methodology or approach can be defined as the methodological aspects which relates to how the research is executed. Hence qualitative approach appeared to be not only suitable but the most appropriate approach to use for this study.

3.4.1 Qualitative /Inductive approach

According to Leedy and Ormrod (2005), qualitative research approach is an inductive approach that is used to give answers complex questions about nature in order to understand and describe certain phenomena. Qualitative research as a research methodology that is unstructured that is done using small carefully selected individuals to give insights that are non-quantifiable about attitudes, motivations, feelings and behaviour. Another researcher, Kumar (2005) also see qualitative approach to research questions as unstructured in order to allow flexibility in every aspects of research processes. Therefore qualitative research is concerned with getting meaning and understanding other than explanations about human behaviour (Babbie and Mouton, 2012). The authors seem to agree on the notion that qualitative research preferably use concepts and categories employed by actors as a way to stay true to meanings. Another approach is the quantitative or deductive approach.

Leedy and Ormrod (2005,) describe quantitative research methods as structured guidelines that allow researchers to objectively look at variables and it is detached from research participants to get unbiased conclusions (De Vos, et al, 2012,). The researcher is going to use the qualitative approach to gain insight in beliefs and feelings of certain phenomena in a natural setting.

3.4.2 Selecting a suitable approach

Babbie and Mouton (2012), argues that whilst quantitative research looks at variables and their relationships in isolation from their setting and context. Denzin and Lincoln (2005) argues that the major difference between quantitative and qualitative research is that quantitative research generates population based data that give meaning to cause and effect of relationships whilst qualitative research develop rich, valid and detailed data which give result in deep context understanding. The choice to choose qualitative or quantitative research depends on nature of research, type of information needed, study context and availability of resources. However for this study, qualitative research approach appeared very appropriate because it gives answers to complex questions about nature. The researcher however used unstructured interviews with CSR

managers as well as data from firm's annual reports to get information from five commercial banks in Zimbabwe. Unstructured interviews were carried out to get more information with regards to research questions. Also telephone interviews were used to interview company executives in charge of CSR activities since their work schedule could not permit to do face to face and also given the limited time to conduct the qualitative study.

3.4.3 Advantages of qualitative methods

Creswell (2007) asserts that, qualitative research advantages are that it's an inquiry in which researcher interpret what they hear, see or understand. Qualitative researchers make many specific observations are made and inferences are drawn about general phenomena (Leedy and Ormrod, 2005). Qualitative methods are argued to be more flexible than quantitative methods as they allow more adaptation in terms of interaction between respondent and researcher. (Mark, et al, 2005). In qualitative research, open ended questions are used to allow respondents to give detailed information. Quantitative researches on the other hand are a bit rigid since respondents are restricted to answer from fixed questions. This becomes the basis as to why the researcher for this study had to choose a qualitative approach to the study in order to get feelings about certain phenomena in a natural setting on how banks are adopting their CSR strategies to be competitive.

3.5 Research Strategy

Several research strategies can be used when carrying out a research which are experiments surveys, case studies and analyzing archival information (Yin, 2009). Experiments are associated with structured science and involve taking action and then observe the consequences of such actions (Babbie and Mouton, 2013) whilst surveys are mainly used for descriptive, exploratory and explanatory purposes and is probably the regarded as the best method in collecting original data used for describing large population sample. (Babbie and Mouton, 2013). Another strategy is the archival research that describes events or prevalence of certain phenomenon. There is also history as a research strategy where the researcher rely on secondary, primary and artifacts as sources of evidence (Yin, 2003).

However, each of the said strategies have their own advantages and disadvantages depending on research approach, researcher control, research questions and events. The researcher is going to use case study strategy for the research which is the most appropriate.

3.6 Case Study

Case study design are argued to be more of a choice other than a methodological strategy. This assumption is justified because of its ability to adapt to a various methodological frameworks namely lifehistory, groundedtheory, phenomenology and ethnographic theory (De Vos, et al, 2012). Creswell ,Hanson, Plano and Morales, (2007) agree that a case study deals with the exploration of bounded systems, single or a multi case covering a period of time using detailed data from multiple sources. Babbie and Mouton (2013) argue that researchers of a case study should enter the field possessing knowledge of relevant literature prior to conducting the research. Hence the researcher used an exploratory case study in order to build theory and new information which may benefit policy makers and the business community.

The research study is mainly done to make an evaluation on the effectiveness of adopting CSR as a business strategy in order for banks to gain competitive advantage. The research also seeks to answer whether it is sustainable for financial institutions to adopt CSR as a state to position themselves in the market since given the harsh economic environment in which most businesses are struggling. It also seeks to gain insight as to how financial institutions view CSR as addressing different CSR misconceptions in line with global standards so as to be competitive. The case study approach also allow the researcher to compare different organisation.

3.6.1 Advantages of Case Study

The case study approach was the most appropriate since it allows the researcher to explore or investigate certain phenomenon in a holistic way. The research approach enabled the researcher to have deep understanding of why financial institution need to take CSR seriously since banks are the backbone of any economy. Also the case study approach was the most appropriate given the research time and to get people's feelings about the research topic under study. Also case studies used in qualitative studies can use open ended questions to get people's general feelings and perceptions hence probing more information that is not biased within which to make deductions.

3.6.2 Disadvantages of using case study

Case studies are criticized for providing small basis in terms of scientific generalization and the level to which cases provide enormous data and findings that yield validity. Case studies like experiments seem to be not generalized to populations but to theoretical propositions (Yin, 2003). The disadvantages linked to my case study includes results which are general propositions from companies. Also the banks chosen may not give true information which does not give true reflection of what exactly will be on the ground. For example what is claimed may not be necessarily what is being practised on the ground.

3.7 Data Collection

Both secondary and primary data were used in this research study. Welman, Kruger and Mitchell, (2005) defines primary data as data originally collected by researchers for research purposes. This research study used data collected from CSR managers or practitioners through semi structured interviews. The second source of data was secondary data. Welman, et al. (2005) argues that secondary data is information gathered by agencies, institutions, archives and not the researcher himself. The researcher used secondary data from annual reports to evaluate how CSR is adopted by commercial banks in Zimbabwe to position themselves in the market.

3.7.1 Population

A population can be defined as set of units which are usually objects, people, events or transactions that a researcher is interested in studying. It can be defined as a universe of subjects or from where a sample of study is selected. Babbie and Mouton (2013), define a population of study as the aggregation of people from which a sample is selected. In studying population, focus is supposed to be on one or more properties or characteristics of units in that population (McClave et. al, 2007). This research's was done in Zimbabwe using 10 commercial banks operating in Harare where the head offices are located. Population include CSR managers, senior bank executives who make company decisions and employees.

The researcher chose the above population since they are believed to have ample knowledge on the subject matter and are involved in the day to day running of the business. It was also very important to have homogeneous sample population to ensure uniform perceptions regarding strategic CSR. Ordinary Population might have difficulties in understanding the CSR practice

and might not have appreciated the technicalities with regards to the subject. The researcher was however happy with respondents since they were quite conversant with the study matter and what was asked in the unstructured interviews. Also the researcher used company web pages and annual reports to get sufficient information on the subject investigated and also to gain background data about the firm and see their reason for adopting CSR. Also annual reports were used to get necessary information not fully responded to by respondents. Methods used to get data were unstructured interviews as large information was gathered from few respondents (Yin 2009).

3.7.2 Sampling Methods

There are non-probability and probability sampling methods in research. Probability sampling methods are mainly used in quantitative research hence the researcher is going to focus on non-probability sampling methods for the research.

3.7.3 Non –Probability Sampling Methods

There are many non –probability sampling methods that can be used when carrying out a research namely convenience sampling, snowballing and judgmental or purposive sampling methods. (Babbie and Mouton, 2012).The researcher is going to use purposive sampling method for the study.

3.7.3.1 Purposive or Judgmental Sampling

Judgmental sampling was used by the researcher targeting selected group of people who had certain traits the researcher wanted to focus on. Babbie and Mouton (2012) argue that it is necessary at times to select sample based on the researcher’s knowledge, research elements as well as research aims. Judgmental sampling can also be referred as purposive sampling. Hence for this study the researcher used purposive sampling, selecting those who had knowledge of CSR practices so as to gather correct and unbiased information. Quota sampling is another non-probability sampling method but was not used for this research. It involves selection of units basing on pre-specified characteristics such that the whole sample will have equal distribution of the assumed characteristics for the population under study (Babbie and Mouton, 2012).

3.7.4 Selection Procedure

All research participants were purposively selected in the study by the researcher assuming that all respondents possessed the knowledge needed. Assumption was basically based on positions of respondents in respective organizations. Studies literature included brochures, annual reports and strategic plans and other documents provided by the organizations. Their websites were very helpful as well. Thematic analysis was done to extract information from the documents. Therefore reflections from respondents and company documents were used to come up with results.

There are different research sampling methods namely, quota, judgmental, purposeful and convenience sampling and sampling can be probability or non-probability sampling methods.. The researcher however used non-probability sampling method. Purposive sampling method was used thereby targeting those who are conversant with the research topic. In qualitative research, study, sample population is selected. Using purposive sampling method, the researcher grouped participants using the preselecting criteria relevant to the research question. A sample can be defined as a finite unit whose properties are examined to gain on the whole selected population (Saunders, 2009). By nature, qualitative research methods use non probability sampling. The researcher however selected a manageable representative sample population. (Maitireyi and Duve, p 148).

3.7.5 Sampling frame

Qualitative research study requires data to be rich in description of places and people hence how a sample is developed and framed should consider sources rich in information (De Vos, et.al, 2011). Babbie and Mouton (2013) defines sampling frame as the specific number of sampling units where the sample can be selected. It's a list of sampling units that are available for selection when carrying out a sampling process. In the case of single case studies, a sampling frame is the study population list. Sampling is the selection process of entities from which data will be collected. Examples include people and organizations from a population of interest (target population) such that through the study of the sample the researcher can fairly generalize results as being truly representative of the whole population. A sample can also be defined as a finite statistical population part whose elements are studied to get information of the whole population

being represented (Saunders, 2009). The purpose of sampling is to gather research information from the sample of manageable size to represent the whole population. The research is going to target commercial banks in Zimbabwe where the sampling frame will come from the monetary policy statement of the Reserve Bank of Zimbabwe (RBZ). The sample frame is register of banks from Reserve Bank of Zimbabwe where a total of 10 commercial banks will be my sample size and the researcher will use purposive sampling method to get data.

3.7.6 Data Collection Sources

Data sources can be primary or secondary data sources. For the study research the researcher used both primary and secondary data to get sufficient information. Primary data will be collected through structured interviews whilst secondary data will be collected from company documents such as annual and CSR reports. Secondary data will also include archival data. Firms CSR practitioners were contacted by telephone or face to face interview and the researcher explained the research objectives and questions. It seemed reasonable to contact CSR managers since they are the ones who have the knowledge concerning the activities of interest.

3.7.6.1 Primary data

Welman, et al. (2005) define primary data as raw or original data collected for research purposes by the researcher. This is data gathered directly from respondents of the target population. Its advantages are that information is extracted directly from the source. The researcher obtained primary data from CSR managers or practitioners on the effectiveness of adopting CSR as a business strategy to gain competitive advantage. The choice was the most appropriate since CSR managers are experts in the study area and have the ability to offer informed opinions about the technical research topic.

3.7.6.2 Secondary data

Welman, et al. (2005) defines secondary data as data collected by institutions, agencies or individuals and not by the one carrying out the study. Data is collected from archival or written sources and it interpret or comment primary information. The main secondary data source used for this research were annual reports and financial institution's websites. Secondary data were useful to the researcher in providing more detailed information not covered in interviews thereby

reducing bias, unreliability and oversimplification. The secondary data play a very crucial role in developing a balanced overview of the financial institution's CSR strategy.

3.8 Data Collection Methods

There are many data collection methods which are interviews, observation and archival data. Observation is where the researcher gain knowledge into the manifestation of reality and usually happens over a long time (Druckman, 2005).

In-depth document analysis and interviews were used as data collection instruments. Interviews can be defined as face-to face or interaction between respondent and researcher in order for the researcher to solicit certain research information required for the study. The study however used two forms of interview which are telephone and face-face interviews. Compared to other data collecting tools, interviews are flexible, continuous and iterative (Babbie 2008). The researcher, therefore combined data from documentation (secondary data) and in-depth semi-structured interviews (primary data).

3.8.1 Archival Data

This is data collected from documents such as annual reports, newspapers and company documents. This is secondary data and the researcher also used this method to complement information gathered from interviews..

3.8.2 Interviews

Interviews are one of the most popular method of gathering data in research studies. Ghauri and Gronhaug (2005) argue that there are unstructured, structured and semi structured interviews that researchers can use when carrying out research. Structured interviews involve questions that are set in a standard way and these are usually used in quantitative research studies. On the other hand unstructured interviews are common in qualitative research studies where the respondent is given full liberty to discuss concepts and research questions. Semi-structured interviews give respondents questions that are predetermined. There is focus on biased data and also sensitive information is usually addressed. The researcher however used semi structured interviews to address all aspects and concepts of the research topic and an interview guide was followed when carrying out interviews. Subsequent questions were asked if there was need to follow up on

certain aspects and where respondents highlighted critical aspects that required further explanation on the subject matter. Interviews were used since large information is collected relatively from few respondents (Yin, 2009). The researcher interviewed CSR managers from the ten commercial banks and interviews were carried out within a two week period with each interview having a length between 30 minutes to 60 minutes. The researcher also made use of annual reports to gather more information and see whether information gathered from respondents was in congruence to what they claim in their reporting. In-depth interviews were done with strategic staff of these commercial banks namely directors, CSR Managers as well as evaluation officers for the 10 banks.

Managers provided more comprehensive information about the organization's view on CSR competitive arena as well as the motivation behind the practice which could not be found in annual reports. An interview guide was followed based on detail, depth and richness of the research consisting of questions, follow-up, main and probes. The interview guide consisted of main questions that best capture data required to address the research questions. Follow up questions have been used to capture every aspect of the study topic. Babbie and Mouton (2012) sited Interviews attract very high response rates as compared to questionnaire since respondents generally do not turn down interview requests and also the presence of the interviewer reduces the number of non-responses as in questionnaire. Hence open ended questions were used to obtain data and Babbie and Mouton (2012) argue that open ended questions should be coded before they are analyzed.

3.8.3 Interview Guide

The interview guide starts with an introduction and the explanation of the study purpose. The first part of the interview guide consists of demographic information of the respondent. This is followed by the second part which examines how CSR is viewed by the organization and why organizations should include CSR practices into their strategic business practices. Part C deals with CSR specific strategy by the banks and motivation behind CSR. Part D include questions relating to adoption of strategic CSR as competitive advantage and elements behind CSR practices competitiveness. Part E focus on CSR recommendations and any additional information on the subject matter by the respondents Every part of the guide is linked to research questions as well as theories discussed in literature review. The questions were arrived at linked to the research objectives research questions and the main research question.

3.8.3.1 Advantages of Interviews

Advantages of using semi structured interviews in qualitative study are that, they give room for probing where the respondent does not fully understand. Also non-verbal expressions can be noted down by the interviewer as these give a true reflection of feelings and thoughts. Another advantage is that the interviewer gets immediate responses and clarity on ambiguous issues.

3.9 Data analysis and Interpretation

Ghauri and Gronhaug (2005) argue that the main reason for data analysis is to gain insight and understanding from gathered data. This section is very crucial in research since there is an overload of data that is often typical with qualitative studies. By making use of information obtained from CSR managers and annual reports the researcher used cross case synthesis to see similarities and differences related to the findings (Yin, 2009). The researcher used a recorder and telephone when carrying out the interview. Since there is no standard way to analyse data in qualitative research. Data obtained from the interviews was coded thereby establishing common patterns, themes and relationships. Data collected was also analysed against theory cited in literature review. Appropriate inferences were also made to come up with results. The interview followed Kvale's stages of interviewing which are thematising, designing, analysing, transcribing reporting and verifying as cited by Babbie (2008)

3.9.1 Validity and Reliability

Validity can be defined as the extent to which empirical measures fully reflects actual meaning of concepts being studied (Babbie, 2008). On the other hand Salkind (2006) states that reliability is synonymous to consistency, stability, dependable, faithfulness and being trustworthy. Throughout the study the researcher ensured coherence by matching the methodology with the type of research being carried out. Also the sample used for the study made full representation of the population study and also the sampling procedures matched the research study. To make sure information provided by the participants is valid the researcher used purposive sampling so as to capture participants who had full knowledge of the research study. The sample however was made up of knowledgeable people who know the subject area. Also the face to face and telephone interviews allowed the researcher to probe and seek for clarification where the research answers were not clear. Also face to face interviews allowed the researcher to take note

of body language and this ensured reliable and valid information. Also information gathered from annual reports was verified by the respondents and where information was vague, clarity was sought. Questions on interview guide were drawn based on what research questions needed to be addressed.

3.9.2 Limitation

The research target the commercial banks in Zimbabwe mainly targeting their head offices in Harare's managers were selected because of their knowledge with regards to CSR activity. It may be possible that respondents did not give competitive driven or sensitive information. It may also happen that the respondents may give biased information regarding CSR for the organization although this may have been eliminated with through the use of semi-structured interviews. Results of the research could be different if stakeholders were also interviewed to give their views concerning the research question.

Further to the above limitation, another limitation may be that, the respondents may not have had the appropriate and best information of the organisation and could have been biased. Since the researcher used both telephone and in-person interviews because of limited time in gathering data, the use of telephone may have missed important body language of those interviewed. Therefore, using face to face interviews allowed the researcher to incorporate respondent's body language.

3.9.3 Ethical Considerations

The researcher whilst carrying out this study will adhere to highest ethical standards such as voluntary participation, debriefing of participants, informed consent, no deception of respondents and cooperation with respondents. Ethical standards were observed as the researcher highlights limitations and constraints with regards to the study which will therefore determine validity of findings. Full presentation of findings were observed. Participants were not be victimised or coerced to participate whilst assuring anonymity and confidentiality as well as full presentation, analysis and reporting (Babbie, 2008).

3.9.4 Chapter Summary

There are various approaches that can be used to look at social reality .Hence researchers need to select the best approach to look at social problems and must also understand philosophical ideas upon which such approaches are based on. Generally the research used primary data and secondary data was used so as to complement certain trends and aspects in presented in primary data. The next chapter the researcher analyses and discusses findings.

CHAPTER 4

PRESENTATION OF RESULTS AND FINDINGS

4.0Introduction

The study seeks to address the research questions and objectives highlighted in the first chapter. The researcher used Miles and Huberman(1994) data analysis model which involve data reduction that involves selection, verification, simplification and transformation of collected data. The recorded interviews were transcribed into verbatim information and the transcripts were restructured into groups or themes in line with the investigated topic and additional groups were developed so as to get specific subcategories from findings.CSR themes form the study framework used by the researcher to evaluate how CSR is adopted as a business strategy to gain competitive advantage. The themes were developed based on the critical aspects of strategic CSR that are of critical concern for competitiveness. These themes include the four dimensions of CSR by Carrol,(1991) cited in (Carrol and Buchholtz,2008)which are economic,ethical,philanthropy and legal aspect. CSR is seen as an integral component of successful business and the CSR pyramid helped to illuminate various CSR componentsintegrated to develop one concept. These provided a framework on how business can engage business practices, policies and actions simultaneously.

By using data collected from the CSR managers, and annual reports data was displayed using cross case synthesis and content analysis. Also the researcher looked at the similarities and differences of the findings as each case was treated separately in the study (Yin, 2009).The

researcher also used the telling, showing and telling technique by (Golden-Biddle and Locke 2007) to display data gathered from the interviews. The researcher explained the core idea depicted in the data first, and then show the data and finally tell abstractly about the data showed. All banks interviewed seem to adhere to the discretionary or voluntary conception of CSR and their CSR seem to be more inclined to philanthropic other than economic responsibility. There is evidence of lack of appreciation of other CSR domains. Also a wide range of issues still need attention if CSR is to be adopted as a strategic tool to gain competitive advantage. The issues include organisation's contribution to the productivity of the country and employment levels.

4.1 Background Information of Respondents

Table 4.1 below indicates the background information of respondents interviewed by the researcher. In-depth face to face interviews were carried out. Where respondent were difficult to get hold of telephone interviews were conducted. Annual reports were also used as secondary data for each bank interviewed to see whether what was being communicated in annual reports was in tandem with what the response from respondents. Some of the local banks annual reports were not updated on their websites and the researcher had the chance to gather more information about those with updated reports. There is also evidence that some banks still do not comply with new standard of integrated reporting where they are required to disclose their CSR practices known as the integrated reporting. Hence there's no standardization in the reporting structure of Zimbabwean banks. The researcher interviewed CSR practitioners and marketing managers from each bank selected since they had knowledge of the research topic and also to ensure correct and well documented information was gathered. The respondents had expertise in the study topic. The interviews took place in Harare where head offices are housed and this is where the respondents were selected. 10 commercial banks were randomly selected from a sample frame presented in the monetary Policy Statement for August 2015. Respondence were identified using non-probability sampling method called (purposive) sampling method.

Table 4.1 Profile of Respondents

Bank Respondent	Sex	Professional background	Position in the organisation	Years in Service	Age	Annual Report	Location
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1	Male	Marketing and Public Relations	Senior Manager Marketing	10-20	30-40	Yes	Harare
2	Male	Strategy and Marketing	Relationship Manager	10-20	30-40	Yes	Harare
3	Male	Marketing & Public relations	Corporate affairs	10-20	30-40	Yes	Harare
4	Male	marketing	Head Marketing	0-10	20-30	Yes	Harare
5	Female	Business studies and Marketing	Marketing manager	0-10	30-40	Yes	Harare
6	Female	Business studies	Marketing manager	10-20	30-40	Yes	Harare
7	Female	Marketing and Public relations	Senior Manager marketing and Pr	10-20	30-40	Yes	Harare
8	Female	Marketing	Marketing manager	0-10	20-30	No	Harare
9	Male	Marketing and business administration	Marketing officer	10-20	30-40	No	Harare
10	Male	Marketing and Public Relations Manager	Public relations Manager	0-10	20-30	No	Harare
Annual reports. Had no access to annual report for bank 9 and 10							

Research questions formed the basis for the face to face, telephone and email interviews following the interview guide attached in Appendix A. The guide was divided into five sections

which are section A demographic, Section B which examines how CSR is viewed and the reasons for adopting CSR, Section C which deals with CSR specific strategies, Section D which looks at CSR and competitive advantage and finally Section E recommendations.

4.1.2 Case Description of Selected Banks

The chosen commercial banks operate in Zimbabwean financial sector and they offer diverse financial services in Zimbabwe. All the banks interviewed adhere to discretionary CSR conception since it's not an obligation to practice CSR. Six of the banks happen to be local banks and 4 were international banks. All the commercial banks offer diverse financial solutions which include investments, corporate banking, asset finance, mortgage facilities, credit schemes, treasury, trade finance, custodial services among many others. From the study, key findings are that most indigenous banks fall under proactive basic CSR with only one that is close to international banks which fall under integrated and mission driven CSR. Most indigenous bank interviewed seems to fall under basic-CSR meaning that they seem to practice CSR merely to emulate others and it's still in embryonic stage and not linked to any organizational strategy. Table 4.2 below shows CSR benchmark by Zimbabwean commercial banks under study.

Table 4.2 CSR Benchmark By Commercial Banks

Mission driven R			3	
Integrated CSR		3		
Basic CSR	4			
	Embryonic	Developing	Strategic excellency	

Table 4.3 below summarizes the key CSR philosophies among the selected commercial banks.

4.2.1 How CSR concept is viewed and The Nature of Activities

This section outlines the findings with regards to the nature of CSR activities by Zimbabwean commercial banks. The core idea depicted here is that most banks adopt CSR as philanthropy as compared economic, Legal and ethical. From the sampled banks, the nature and scope of the

CSR activities is voluntary and extremely diversified ranging from donations to charity, sponsorship to art and cultural development, education, entrepreneurship, social investments as well as contributions to economic development as summarized in table 4.3 below.

Table 4.3 View for CSR and nature of activities

Bank/Respondent	Philanthropic	Economic	Ethical	Legal
1	Employment Consumer loans Donations of computers to schools e.g UZ, health Sponsorship awards Education sponsorship Cleaning campaigns	low cost housing, funeral cash plan, microfinance and small and medium enterprises loans, paperless banking, diversity and financial inclusion	Donation to charity e.g children's home, Tokwe Mkosi flood victims Breast cancer awareness	Integrated reporting on financial statements in line with ISO 26000 2010, Equator principle
2	Donation towards, health and schools, Sponsorship to schools e.g. prize giving, books, computers, mayor's cheer Fund, books, arts and culture etc.	Support to mining sector. Financial services like mobile banking, asset finance, overdraft facilities strategic alliances	Donations to charity. Breast cancer awareness.	Comply with Global standards and code of ethics.
3	Cleaning campaigns. Donations towards health and education	Support mining sector. Financial services like mobile banking, overdraft facilities. Strategic partnership	Donations to charity	Comply with global standards

4	Sponsorship to underprivileged children(ZScore), Sponsor HIFA, Sponsor arts and culture	Youth leadership development and mentoring, donation (Mbire women to promote talent)and entrepreneurship, financial services	Donations to charity	
5	Donations to education and health e.g. Malaria awareness Poverty alleviation	Financial services e.g.business banking. Entrepreneurship	Donations to charity	Comply with global standards
6	Donations health and education , Cleaning campaigns. Consumer loans	Mobile banking, microfinance, overdraft facilities, sponsorships to income generating projects like ZIM asset and MDG, agency banking	Donations to charity e.g children's home	
7	Donations to health and education	housing projects, , mobile banking, smart money,	Donations to charity.	
8	Talent recognitione.g. Sponsorship-Junior save game show. Donations to schools. Cleaning campaigns	High tax free interest savings account. Partner with schools to generate ZESA commission revenue, consumer and employee assisted loans	Donations to charity	

9	Sponsor Institute of Internal Auditors annual conferences. Donations to schools.	Sponsorship e.g. Junior achievement Zimbabwe and SMEs, Economic partnership with CZI, and ZNCC.	Donations to charity e.g. Tokwe Mukosi flood victims-drilled boreholes. Staff donates blood to the national blood bank	-
10	Donations to schools, education	NSSA retrenches facilities Financial services e.g mobile banking	Donations to charity	-

CSR activities above are either viewed either as philanthropic, economic, legal or ethical or strategic themes .All the banks view CSR as philanthropic followed by economic, ethical and legal. The legal dimension is mentioned mostly by international banks. Evidence from findings suggest that there is no legal obligation for financial institutions to engage in CSR but manager for bank 6 asserts that:

'It is a good thing to give back to the society in an environment where jobs are difficult to get, and a noble idea to tap the unbanked market to boost business whilst at the same time such activities will benefit the society.' **(R9)**

Most managers argue that their CSR is philanthropic in nature, they also agree that organization cannot be involved in such activities unless it has business gains. Other financial solutions include business training, credit and savings facilities, mobile banking countrywide, financial inclusion for the unbanked and facilitated remittance for medical insurance and strategic alliances with institutions such as ZESA which can fall under economic strategic CSR.

4.2.2 Key Findings

Key findings reveal that all the CSR dimension which include philanthropy, economic, legal and ethical view of CSR are presented with each bank having two or more of the dimensions in their view for CSR. Philanthropic and the economic dimensions are the most common among the banks. Legal aspect is almost silent from the responses meaning that all the banks voluntarily engage in CSR and there is no regulatory framework which governs such activities. About 41% of the managers highlighted that they need to comply with global guidelines of the integrated reporting guided by ISO 26000 2010 or International labor organization (ILO). Findings also suggest that, only a few banks have a clearly articulated CSR policy that is fully adhered to and is institutionalized except for a few international banks. Findings also suggest that the economic dimension is also important evidenced by setting up community banking and provision of diverse financial solutions to the community part of diversification strategy.

4.3 Organization's Philosophy for CSR and key values

This section looks at the various philosophies that various bank believe have helped them become top corporate citizen in the financial sector. It looks at the qualities possessed by the banks which have helped the banks develop their CSR for competitiveness. These include corporate culture, service delivery, community involvement, governance structures, strategic alliance and staff focus.

Table 4.4 Organisational Philosophy and key Values for CSR.

Bank/Respondent	Organizational key values and philosophy towards CSR.
1	Culture e.g. Respect, integrity, excellence service delivery, innovation, staff focus governance Valuable strategic alliance, diversification,
2	Excellent service delivery Innovative culture Strong belief in building social capital and financial capital

3	Culture e.g. Respect, integrity, excellence service delivery, responsive to customer's needs, staff engagement Maintain visibility in CSR activities, Organizational structures and systems that support CSR activities Recognition of business opportunities.
4	Culture e.g. respect, integrity, excellent service delivery, adaptive and innovative Recognition of business opportunities across the region.
5	Culture e.g. Respect, integrity, excellence service delivery, responsive to customer's needs
6	Culture e.g. Learning and sharing culture, integrity, service excellence, innovation, stewardship Diversity
7	Community involvement, Service excellence,
8	holistic vision towards CSR, community involvement
9	Community involvement, Culture e.g employee volunteerism ,
10	Community involvement.

The CSR manager from Bank 1 asserts that the firm's vision and mission of the institution forms their basis of their CSR activities. The respondent further argued that the organization has great passion in building financial and social capital. Manager 1 is quoted saying.

'To engage in CSR, it's part of our DNA. In fact the bank form part of the bigger society and everyone has responsibilities which are reflected in the organization's values. Our bank's philosophy is consistently maintaining

visibility in CSR all year round in different fields that our customers work in'. (R1)

The study shows that main philosophy behind CSR is having a corporate culture in the banking system that is CSR driven. Each bank wants to be seen among others as different in the financial sector.

Most of the banks do not incorporate social issues within their company policies, although from the annual reports, core values comprising of human capital, innovation, transparency, social responsibilities and quality are mentioned. Manager from bank 2 which is an international bank is quoted saying

'I can say....we as a bank, we believe in community minded worldview which is integral to our vision and integrated thinking that also corresponds to our capital model of value creation. Core business should never be separated from the environmental and social context. The bank is part of the bigger society and we expect every individual and companies to act responsibly' (R2).

Less than 50% of the CSR activities are grounded in their organization's mission statement whilst considering environmental, economic, social and sustainable conditions. Most of these are international banks who are guided by international guidelines. The strategic intent for CSR is not very clear although they are aware of the benefits of CSR and is silent especially among local banks. Manager 1 said the following

'Although we do not have an articulated company policy with regards to CSR, actually, our effort is to consistently optimize CSR strategies, policies, organizational structures and processes that support society and create value in our dynamic environments''(R1)

This passage show manager 1 admitting that they do not have a well-established CSR policy and they are aware that policies, processes and organizational structures play a vital role for CSR to yield value.

4.3.1 Key Findings

Findings show that most of the organizational philosophy and key values are centered within the internal rather than external issues that is organizational culture, processes, diversity, innovation and organizational strategies. CSR activities success are seen as rooted from firm's values and mission and vision of the organization which have not been covered in the theory section. From the findings few banks have their organization's CSR practices rooted from the mission statement. Under the same considerations most managers agree that company values are grounded in their social responsible behaviour which include integrity, service Excellency, staff focus, respect and innovation among others. Such activities are over ally seen as voluntary engagements although the activities seem to overlap. Some managers said that such attributes provided insight to consumers about the banks behaviour and value systems. From the findings, there is need to revisit what is espoused by the banks and the real identity and image of the organizations.

4.4 CSR and stakeholdervalue

This section looks at the various stakeholders that are influential to bank's CSR practices and their contributions to the banks CSR initiatives. The stakeholders include shareholders, investor's government, society and employees. The managers state that these were influential for CSR to yield value. Shareholders play a crucial role through approval of CSR budget as the said by most of the managers. Managers from three banks argue that shareholders approves CSR policies whilst most of them agree that government and society affect their CSR initiatives through their support. Investors are also crucial and the managers say they are crucial since they are more likely to be involved with the socially responsible banks to mitigate risk. The table below summarizes the managers' responses.

Table 4.5 CSR and Stakeholder Value

Bank/Respondent	Shareholders	Investors	Government	Society	Employees
1	Form strategic	Make	Support	Support	Support business

	alliance. Authorize CSR activities(budgets)	investments. Inject financial Capital. Support business transactions	organizations Legitimize CSR transactions	firms.	through commitment, integrity, reputation etc volunteerism
2	Formulate CSR objectives and policies.	Make investments. Inject capital. Strategic alliance.	Legitimize CSR activities. Support business. License to operate	Support business through demand for products	Support business through commitment and service excellence Volunteerism
3	Formulates CSR objectives and policies through the board. Approves SCR budget.	Inject capital. Investments. Form strategic partnerships	License to operate. Support business	Support business through increased demand and loyalty.	Support business through commitment.
4	Formulate CSR policies through the Board. Approves budget for CSR.	Inject capital. Support business	Legitimize CSR. Support business e.g through tax credits.	Support business through Increased demand	Offer support and commitment Volunteerism
5	Authorize CSR	Form strategic	Support business.	Support business	Commitment and cooperation.

	transactions.	partnership. Inject capital			
6	Approves budget.	Inject capital. Support business through strategic partnership.	Support business	Support business.	Commitment and cooperation.
7	Approves budget for CSR.	Inject capital	Support business	Support business	commitment
8	Approves budget for CSR.	Inject capital	Support business.	Support business	commitment
9	Approves budget for CSR.	Inject capital. Support business	Support business	Support business	Volunteerism commitment
10	Approves budget for CSR.	Support business	Support business	Support business	Commitment.

Stakeholder are important since they legitimize, form strategic alliance and support CSR practices .Onemanager said

‘Charity begins at home. There is no way we can embark on CSR activities to meet stakeholder’s needs without satisfying our shareholder’s needs. We need to satisfy our shareholders first such that CSR goal is achieved. And obviously through board approval, employee engagement and commitment CSR can make strategic sense’. (R4)

All banks in general agree that shareholder and stakeholder engagement is crucial for CSR to be a success. Another manager argued

‘Our aim is to embrace responsibility for company actions. We believe that success is more than financial results, but is about knowing our customer needs, employee engagement and support for the communities’ (R1).

4.4.1 Key Findings

Although all banks agree in behaving in a socially responsible manner, they agree that CSR activities are performed whilst adhering to shareholder and stakeholder interest that is to make profit and satisfy the needs of customers. The stakeholders are influential to the development of CSR in order for it to gain competitive advantage. Further to this stakeholders and shareholders are important in the development of CSR through their support, strategic alliances and responses towards those who engage them in their CSR activities. The managers acknowledged that they need both support from stakeholders and shareholders in order to be competitive. The society is also important as it gives support through increased demand for services.

4.5 CSR Communication and disclosure

This section looks at how banks communicate their CSR for it to reflect value. Data reveal that annual reports, internet, intranet, television, newspapers, radios, Majority of the interviewed banks communicate their CSR both internally and externally.

Table 4.6 CSR Communication

Bank/Respondent	Communication medium
1	Annual reports,internet websites,intranet,newspapers,TV, meetings
2	Annual reports,internet websites,intranet,newspapers,sustainability reports,TV
3	Annual reports,internet websites,intranet,newspapers,sustainability reports,radio,TV
4	Annual reports,internet websites,intranet,newspapers,sustainability reports,radio,TV
5	Annual reports,internet websites,intranet,newspapers, sustainability reports.
6	Annual reports,internet websites,intranet,newspapers, meetings
7	Internet,newspaper,company web sites

8	internet websites, internal bulletin, newspapers,radio
9	Annual reports,internet websites,intranet,newspapers,
10	internet websites,newspapers,

There is no evidence for internal communication for bank 7, 8, and 10 as highlighted in the table above. Manager 2 is quoted saying

'The communication is done both internally and externally. When board approves such activities, it is communicated to management and down to all employees using bulletins and emails quarterly per year. A company policy on CSR is there where 10% of company profits is allocated for CSR ,although in most cases some funds may be diverted to meet other organizational costs.' **(R2)**

Findings also indicated that the international banks websites were constantly being updated and also communicate their CSR internally and externally. Some of the banks especially local banks mention CSR in passing in their annual reports meaning that CSR may be practiced to emulate others or is just a leap service. This is supported by the interviewee who said that

'There seem to be conflict of interest between the board and other stakeholders. Yes we are aware of the concept but it's still an area not taken very seriously by the organization''. **(R10)**

From this statement, the researcher noted that in some instances what is disclosed in annual reports does not give true representation of what actually transpire. Most managers opted for partnering with their stakeholders and they emphasized on the need to collaborate with stakeholders in pursuit for CSR in challenging environment. One manager said that

'Collaboration is critical .It brings about easy solutions and encourage innovative interaction for CSR to achieve competitive advantage.' **(R3)**

Findings suggest that CSR communication is not extensive especially for local banks. CSR disclosure is more comprehensive among big local banks and international banks and their

communication medium include sustainable reports, business reports and annual reports and newspapers.

4.5.1 Key Findings

From the findings, public relations and marketing department assume the sole responsibility for CSR guided by top management. The researcher noted that, although most banks communicated their CSR through television, internet, intranet and annual reports, they fail to communicate outcome and effects of such programs. Of the banks interviewed the used at least one communication medium whilst most banks used multiple forums to share information

4.6 Motivation for CSR

The section looks at the voluntary motivation of CSR by the various banks as related to strategic necessity and competitive advantage. The table below summarizes the main reasons for adopting CSR as highlighted by the managers interviewed. Most of the managers argued that reputation building, philanthropy and recognition of business opportunities (economic) as their main motives behind CSR. Some argued that they practiced CSR in order to be good corporate citizens (ethical), survival, meet stakeholder needs match global standards as well as to get social benefits. Responses as to the reasons why banks engage in CSR is summarized as below.

Table 4.7 Motivation for CSR

Bank/Respondent	Motivation for CSR or why adopting CSR as a business strategy.
1	Economic e.g. To be competitive in the market, marketing strategy To match global standards like ISO26 000 2010 (legal). Reputation e.g desire for social betterment. Philanthropic e.g. Support the local community and stakeholder needs. Core value for the group
2	Economic e.g. Strategy for competitiveness. Philanthropy.

	<p>Meet stakeholder's needs.</p> <p>Reputation and social benefits.</p> <p>Match global standards(legal)</p>
3	<p>Economic e.g. To be competitive in the market, visibility, recognition of business opportunities.</p> <p>Reputation and social benefits e.g. enhance customer perception.</p> <p>Legal e.g. Match global standards..</p> <p>Meet stakeholder's needs</p> <p>Increase social and financial capital.</p> <p>Its ethical</p>
4	<p>Economic e.g.To be competitive, relevant and responsive to stakeholders needs.</p> <p>Reputation and business opportunities.</p> <p>ethical</p> <p>Philanthropy</p> <p>Sustainable development and innovative</p>
5	<p>Economic e.g.Reputation and business opportunities, strategy for survival</p> <p>Ethical.</p> <p>Give back to society.</p> <p>Sustainable development.</p>
6	<p>Economic e.g. Reputation and business opportunities, strategy for survival.</p> <p>It's the right thing to do(ethical)</p> <p>Give back to society</p>

	Sustainable development
7	Philanthropic Others are doing it
8	Philanthropic Business opportunities
9	Reputation Give back to society Sustainable development. Economic
10	Philanthropy Reputation building

Most of the respondents see reputation building philanthropy and economic reasons as the main reasons for CSR with no roots from any laws and regulation. All managers cited societal need and government needs as some of the reasons they engage in CSR. Most managers mentioned that their reasons are motivated by institutional necessity and the desire to search social betterment in the environment they conduct their business and indirectly gaining economic benefits. Manager for bank 2 quoted as saying;

'Of course you cannot deny that the reason is indirectly economic and, strategic. No one can invest where there are no financial benefits. We believe opportunities are untapped in the market, and there lies vast hidden opportunities which if properly harnessed can take the bank to greater heights. So obviously ...I can say making profit is one of our major motivations for CSR' (R2)

The benefits and pressure from the society can also be seen as the major motivation for CSR. Some banks cited ethical reasons for example donations to national blood bank, charity and

Tokwe Mukosi flood victims but to some banks they may be donations with strategic intent. One manager asserted that

'We believe in making a difference in the society we operate in. We believe in giving back to the society where we derive our business from. We feel we have the duty to enhance community livelihoods, assist the underprivileged through provision of clothing ,food, mosquito nets ,drugs, voluntary blood donation by our employees etc ...'.(R1)

All the same, most managers argued that such activities are beneficial to the firm in the long run and obviously increase profits. From the data presented, the motivation are indirectly linked to strategic necessity and competitive advantage although one banks seem not to be aware of CSR benefits.

4.6.1 Key Findings

From the data, most banks adopt CSR as a way of giving back to the society or as a marketing strategy (economic). More than 50% of the banks engage in CSR to market their brand in the market and this can be a strategy to position themselves in the market. The study findings suggest that the motivations for CSR are diverse and they can be philanthropic in nature, politically driven, sustainability issues, reputation building, economic, marketing, and social among many others. Absence of consistency in reporting, planning and CSR policies show that most of the banks are still evolving towards aligning their CSR practices with core business competence. From the findings it can be concluded that the motivation is mainly philanthropic and economic followed by ethical and legal reasons.

4.7: Strategic approaches and Opportunities for CSR

This section looks at findings relating to CSR strategic necessity and competitive advantage. The section is divided into 2 subsections which are non-market and market pressures. It takes into account the social, economic, legal dimensions of CSR. These relate to the banks market and non-market approach to CSR in order to position themselves in the market and enjoy social and non-social benefits associated with such activities. The market approach include reputation building, service excellence, financial services, competitive products and strategic alliances in order to gain competitive advantage. Non market approaches include managerial competencies,

shareholder involvement, organizational culture and internal processes and employee involvement as summarized in the table below.

Table 4.8 Strategic Approaches and Opportunities for CSR

	Strategic necessity	
Bank/Respondent	Market Approach	Non-market approach
1	Support for home grown industry,community banking,mortgage facilities,brand awareness campaigns,reputation building,strategic partnerships, service excellence	Managerial competencies Shareholder and employee involvement. Organizations structure and efficiencies
2	Economic e.g.Support for mining industry,Financial services e.g.mobilebanking,microfinance,money market,,brand image,strategic partnerships	Managerial competencies. Organizational competencies. Shareholder involvement
3	Brand image,financial facilities, strategic partnerships, competitive products in the market. Sponsorship	Organizational competenciese.g. culture and values and processes. Shareholder involvement. Employee commitment
4	Entrepreneurship,financial services,shared ownership with stakeholders. Consumer demands	Organizational competencies. Shareholder involvement. Internal structures and processes.
5	Entrepreneurship,financial services	Shareholder involvement Employee commitment Internal structures and competencies

6	Financial services Consumer demands	Shareholder involvement Culture.
7	Financial services.Reputation.	good corporate culture
8	ZESA commission revenue project in schools	good corporate culture shareholder involvement
9	Strategic partnerships ie with CZI and ZNCC, Reputation Consumer demands	Good corporate culture. Shareholder involvement
10	Financial services	good corporate culture

Despite the awareness and intentions of CSR,most CSR strategic approach are still sketchy for most banks. Very few banks from the sample have clear targets in their strategic CSRpursuit and most of the activities seem to be discretionary and are done haphazardly. One manager from an international bank actually highlighted that

‘we have a policy for CSR in place,but you find that at times the 10% allocation is not utilized in pursuit to CSR activities.Infact it is up to the CEO’S discretion to allocate the funds for CSR or to channel it to other activities. I may sound awkward or intent to say, at times CSR is just a mere leap service by some banks just to market themselves, but I would like to say that, If CSR is to be taken seriously in order to yield results....i mean, there is need for clear documented policies to be implemented other than these once off events’ (R2)

The managers suggestthat in most cases CSR is adopted in a haphazard manner. A few banks have CSR policiesand CSR is given less priority hence it becomes a mere waste of resources. There is no systematic planning and specific CSR strategies embedded into core business. Hence there are dangers that CSRwill be latently sustained and silently ignored by most of the banks.

a)Market forces

Most respondent agree that there are market forces which need to be considered when adopting CSR and are seen in the financial servicesthey offer which include entrepreneurship loans, support for local industry, reputation building, strategic alliances and service excellence .Most banks carry a needs assessment when they practice their CSR but some are still in the early stages in their response to market pressure. Their actions are rather reactive rather than proactive. A certain manager suggested that there was need to monitor CSR actions of competitors since the financial sector is characterized by intense competition in order to reinforce the CSR context when asked to explain further on the monitoring issue the manager answered

'When I say monitoring, I mean monitoring the social and environmental actions ,assigning budgets to CSR projects as well as looking at what other companies are doing'.(R3)

Further to this, bank manager 1 is quoted saying:

'yes I acknowledge that some companies just do it as an afterthought ,hence we see those adhoc donations where companies rush to the nearest children's home ,they buy blankets and food and take photos and paste in papers'.(R1)

The findings from the interviews suggest that some banks respond to industry needs by doing ethical practices which enhance their reputation in order to maintaintheir market position. To some it's an afterthought with no proper planning and strategy. Consumer demands are among the market pressures that may affect CSR activities and most managers say that they are alert with issues to do with reputation and brand building of the firm. They say that the total CSR picture is what matters such that customers and other stakeholders do not develop negative attitude towards the organization. Information from the annual reports also confirms that the banks aim to safeguard their reputation. Responding to market forces will not only mean readjusting company values and mission but also differentiate their services from their competitors.Manager from bank 1 is quoted saying

'in an effort to pursue part of our diversification strategy ,we have embarked on community banking service initially formed in the 1990s.We have gone further to reorganize the service and created small and medium

enterprise and microfinance department which gives credit facilities to such organizations. We have also launched products such as mobile banking a platform geared to tap the unbanked market. This is so because, the environmental opportunities we see when we do business, is not just about doing business in an ethical manner but there are hidden opportunities in the long run. (R1)

Further to this, managers from international banks and a few from local banks agreed that their CSR activities are guided by the ISO 26000 2010 basic guidelines which is a plus to gaining competitive advantage in the market.

b) Non market forces and the social Dimension of the competitive context

This section looks at findings with regards to non-market forces and their link to competitive advantage. These encompasses shareholder demands, managerial competencies, organizational social standing as well as company values and beliefs. Most of the managers believe that CSR activities are influenced by firm's mission, values and their beliefs in the human capital as well as shareholder involvement. 60% of the managers agree that non market issues comprise of the firm's internal resources which competitors find them very difficult to copy and they can also lead to competitiveness such as reputation, internal processes, structures, shareholder involvement and service excellence. The way a bank carry its operations in terms of integrity, charging fair bank charges, internal processes, organizational culture, and competitive consumer loans with low interest rates can be a strategy to market themselves. Various stakeholders will in turn want to do business with such institution. One manager is quoted saying

'Given the fact that banks are the cornerstone of the economy, the major benefits associated with such activities is gaining good reputation in the market. This I suppose will lead to competitive advantage as consumers will prefer doing business with such organizations as compared to those who have a bad reputation .So in fact it's the whole package'. (R3)

Most managers agreed that consumers expressed satisfaction with the company because of their social engagement in CSR. Manager for bank 1 actually commented on engaging in business

that focus on consumer issues such as charging fair prices and bank charges to consumers. He further commented on the aspect of banks going paperless in their business models such that they do not pollute the environment was to create a positive image in the society. All such efforts were done so that the bank can create a brand which in turn leads to increased consumer demand and increased market share. Also on non-market issues, CSR issues originated from the board then the shareholders approve if the funds permit. On manager said the following

'CSR initiatives start with the board and approvals are made by shareholders then down to management and employees. You find that bureaucracy at times is a major setback whenever we want to be socially responsible. By this I mean, the board take time to approve on CSR expenditure such that by the time you want to do the thing, it will be already too late and the processes are too long. In some instances there is no approval at all with the shareholders citing financial challenges.' (R2)

Bureaucracy is highlighted as affecting the competitive context to CSR. The board is seen as reluctant to approve CSR initiatives. Shareholders here play a critical role in the operationalization of CSR as organization efficiencies values and commitments. In most cases the shareholder's view is normally reflected on company mission and vision statements on issues of social behavior. Hence that alone is an indication of firms acting in response to shareholders expectations which is a non-market force.

4.7.1 Key Findings

Findings from the interviews suggest that non-market forces such as bureaucracy, managerial competences, organizational culture and flexibility by shareholders may lower chances of CSR practices for competitiveness. But to those with clearly defined policies, they will enjoy the benefits of CSR and can position themselves in the market. Managerial competences play a crucial role in defining CSR for competitiveness.

There is also evidence that CSR by Zimbabwean banks cannot be undermined and there seem to be no systematic attempts to measure impacts of such activities as they seem to be once off ventures from the information gathered. Findings reveal that there is limited sophistication regarding CSR strategies being employed by most banks and a more strategic approach need to

be adopted so that what is portrayed in annual reports complement with what is on the ground. Although from the interviews some managers argue that their CSR is embedded into core business strategies and mission statements there is need to take a more formal approach for CSR to yield good results as well as incorporate both market and non-market pressures for competitiveness.

4.8: Benefits of CSR and the factors which negatively affects CSR implementation.

Firms CSR activity can be seen as firm's strategy to achieve its goals. This section presents findings on the benefits of CSR. Whilst most banks are battling to see the actual benefits of CSR, there is desire by Zimbabwean banks to naturally behave in a socially responsible way. From the findings, strategic CSR is measured through company's visible, tangible and non-tangible benefits that society and the company accrue. Both local and international banks are analysed using the same criteria. From the interviews, the researcher derived many benefits associated with CSR in Zimbabwe which include reputation building, creation of business opportunities, sustainable business, stakeholder satisfaction, increased social and financial capital in the long run. These are presented in table 4.9 below.

Table 4.9 CSR benefits and Challenges

Bank/Respondent	Benefits for CSR	Factors which negatively affect CSR implementation
1	Reputation. Enhance stakeholder satisfaction Economic and social benefits.	Operating environment Politics Lack of resources Maintaining old structures and culture No CSR policy.
2	Competitiveness. Enhance stakeholder satisfaction.	Agency theory Old structures and culture e.g bureaucracy.

	<p>Reputation.</p> <p>Economic and social benefits</p>	<p>Poor planning and lack of strategic foresight.</p> <p>Operating environment</p> <p>No CSR Policies</p>
3	<p>Competitiveness</p> <p>Enhance Stakeholder satisfaction</p> <p>Enhance visibility and reputation.</p> <p>Creates business opportunities.</p> <p>Builds social and financial capital(Economic growth).</p>	<p>Operating environment</p> <p>Lack of CSR policies.</p> <p>Poor planning and lack of strategic insight.</p> <p>Lack of resources.</p> <p>CSR not linked to core business</p>
4	<p>Competitive</p> <p>Reputation</p> <p>Creates business opportunities.</p> <p>Economic benefits</p> <p>Social benefits</p>	<p>Operating environment</p> <p>Lack of resources.</p> <p>Old structures</p> <p>Politics</p>
5	<p>Reputation</p> <p>Creates business opportunities.</p> <p>Sustainable business</p> <p>Increase financial and social capital.</p>	<p>Operating environment.</p> <p>Lack of resources.</p> <p>No CSR Policy</p>
6	<p>Reputation building.</p> <p>Creates business opportunities.</p> <p>Sustainable business</p>	<p>Operating environment</p> <p>Lack of resources</p> <p>Bureaucracy and old culture.</p>

7	Reputation Building and Visibility.	Operating environment Lack of resources. No CSR policies and lack of planning.
8	Business opportunities	Operating environment Lack of Resources.
9	Reputation building Sustainable business.	Operating environment Lack of resources
10	Reputation building	Operating environment Lack of resources No CSR policies.

From the summary table 4.9, all managers agree that one of the major challenges to CSR implementation is the operating environment. More than 90% of the managers cited that politics also is a major challenge whenever they try to align their strategic CSR with their core competences to gain competitive advantage. They argued that at times their CSR intentions are diverted to fund political projects. The operating environment has also been cited as a strategic challenge by all the managers. The banks are facing serious liquidity challenges such that they have no slack resources for CSR activities. Majority of the managers also cited organizational culture and old ways of doing things as also a major drawback. There is lack of seriousness when it comes to implementing CSR policies and also in most cases it is management which holds on to resources or channels the funds to other projects.

4.8.1 Key Findings on benefits of CSR.

Findings as highlighted in the summary table above suggest that most banks believe the benefits for CSR are reputation building. Their activities are centred on building corporate image

,economic benefits, sustainability, competitiveness ,attract investors as well as social benefits associated with the activities. From the results reputation is a result of trustworthiness that will then lead to competitive advantage in that most stakeholders will prefer to do business with such companies hence more business opportunities and financial growth. All the managers agree that good reputation is seen through the behaviour of the organization and this can lead to competitiveness and sustainable development. Once a reputation is made, this will in turn attract investors and more people want to be associated with such companies thereby positioning themselves in the market. Shareholders expectation is then met thereby through the increase in social and financial capital which comes with customer perception and reputation.

4.8.2: Key findings the negative factors that affect CSR implementation

Findings from the research show that although there are various factors which negatively affect CSR implementation, most of the challenges are internal as compared to external. The managers interviewed cited lack of resources, lack of CSR policies, agency theory, failure to incorporate CSR linked to core nosiness, bureaucracy, old way of doing things (old culture and structures and lack of planning. Although all managers cited that their major challenges was lack of resources this was caused by the operating environment. This could explain why CSR approach for most companies is mainly philanthropic. Another key finding is that there lack of support from shareholders such that CSR is carried out in a haphazard manner hence may fail to achieve competitiveness. Hence corporate leaders need to revisit their structures and systems and be innovative so that CSR can yield competitive benefits.

4.9: Section D: CSR and Competitive advantage

Table 4.10: Strategic link between CSR and competitive advantage

Bank/Respondent	Link between CSR and SCA.
1	<p>Yes there is a link if approved by shareholders and imbedded into organizational key strategies.</p> <p>Stakeholder support.</p>

	If resources are available.
2	Yes if policies are clear and there a clear budgets. If shareholders approve Stake holder support. If resources are adequate
3	Yes if CSR strategies are aligned to organizational key activities and corporate goals Stakeholder support. If resources are adequate
4	Yes if there is good planning Shareholder and stakeholder support. If there are policies which support CSR.
5	Yes, If there is proper planning and shareholder approval. If resources are adequate.
6	Yes if there is board and stakeholder support
7	The benefits are yet to be achieved.
8	Yes in the long run if supported by the board. If resources permit.
9	Yes, If there is stakeholder support If aligned with core business
10	The benefits are yet to be proved. Yes if board approves.

Table 4.10 above indicates managers' responses with regards to the link between strategic CSR and competitiveness when certain conditions are met. The conditions include if the organization has sufficient resources and when such activities are embedded into company's core business and business values for sustainability. 90% of the managers agree that CSR can lead to competitive advantage if it is well communicated to employees and to influential stakeholders. It can also lead to competitiveness if shareholders approve such activities such that there are no conflicts of interest between shareholder and management. Managers argued that CSR can be a source of competitive advantage if aligned with key strategic goals as below:

'If CSR is to make strategic sense, there is a need for banks to focus on discarding old ways of doing things and outdated business models in order to be competitive. This can be achieved when banks harness opportunities in the market we operate in' (R1)

Strategic competitive advantage can be achieved if banks get rid of old cultures and processes which are bureaucratic and inefficient.

4.9.1 Key Findings

Most managers agree that banks need to come up with well-structured CSR policies in order to gain competitive advantage. Most banks have no CSR policies and therefore CSR activities lack proper planning thereby lowering chances of competitiveness. Most managers concur with the idea that there was a need for shareholders and the board to authorize such activities and include them in the company policy such that they do not become one-off activities. Findings also suggest that if structures and processes are efficient, then there is a link between strategic CSR and competitive advantage as well as when banks develop strategic alliances with key stakeholders. Only one bank seems not to see the link between strategic CSR and SCA.

4.10: CSR and resource based theory and Sustainability issues

This section looks at the organization's key resources that give the banks a competitive advantage. These resources can be tangible or non-tangible. Table 4.12 below shows the summary responses.

Table 4.11 Summary table of organisational Key resources for CSR

Bank/Respondent	What are your organizational key resources for competitiveness
1	Dedicated staff, organizational culture, large branch network, diversity,organizational performance, strategic alliance, innovative and superior products
2	Dedicated staff, organizational culture, diversity,organizational performance, strategic alliance, innovative and superior products
3	Dedicated staff, organizational culture, diversity,strategic alliance, innovative and superior products
4	Dedicated staff, organizational culture,organizational performance, strategic alliance, innovative and superior products
5	organizational culture, diversity,organizational performance, strategic alliance, innovative and superior products
6	Dedicated staff, organizational culture,organizational performance, strategic alliance, innovative and superior products
7	Organizational performance, service excellence,
8	Organizational performance,superior products, dedicated staff
9	Dedicated staff, strategic alliance, superior products, firm performance
10	Financial performance, dedicated employees

a) Tangible resources

All the managers agree that CSR is inherently attuned with the organization's RBV framework in table 4.11. The framework argues that it is the organization's intangible and tangible assets that can result to superior performance and sustainable competitive advantage. The resources are said to be inimitable, rare, valuable, cannot be substituted and organizational. From the study, banks most strategic tangible assets are financial capital ,dedicated and diversified workforce, firm performance,branch network, organization's strategic alliance with its stakeholders, extensive

branch coverage, organization's culture,. A good example is seen from responses from manager1, 2, 3, 5, 8, and 10. One manager is quoted saying

'Our most valuable resource is our staff members. That's the reason why our staff are voluntarily actively involved in our CSR projects and they even spare their time to run these projects.' (R4)

Organizational culture and motivated employees gives a true reflection of CSR in organizations which then foster good communication with customers. An extensive branch network is also presented as a tangible asset that give banks a competitive advantage. The bigger the bank the more geographical coverage and hence more people will get the services as well as CSR activities. This will then give the banks a competitive advantage. A certain manager argued that in some instances banks go out of their and restructure existing loans, extending overdraft facilities and extending loan tenure for their clients. The researcher noticed some anomalies where what is disclosed in annual reports do not match organizational culture. The manager cited a certain bank taking part in terminating jobs on three months' notice for their employees-

'You hear some banks in annual reports saying we are committed to our staff members. The following day you see them in newspapers terminating their employees' contracts. You see, service industry is tricky. Once service is tarnished, it's difficult to mend.' (R1)

Another tangible resource that gives an organization a competitive advantage are the organization's innovative products in pursuit for CSR. These can give a company a strategic position if the products meet the needs of stakeholders. These are the various CSR projects which are done by the organization.

b) Intangible resources

From the findings these include, reputation, diversity, culture, firm performance, structures and processes and strategic alliances with stakeholders. Generally the managers agree that company performance give the banks a competitive advantage because they have the resources to carry out CSR activities. Reputation is presented as one of the most strategic resource that the banks can possess in order to be competitive.

Other managers cited that if a company is diverse, it is able to serve larger markets .This automatically gives a firm a competitive advantage and this has been cited mostly by big international banks. Another important resource is the strategic alliance partnerships with stakeholders and investors which can also lead to competitive advantage. The managers cited that if financial institutions make healthy strategic partnerships with influential stakeholders, it can gain competitive advantage.

4.10.1 Key Findings

An organization needs to have efficient systems in order to compete in the market and get rid of bureaucracy. Most managers cited lack of resources as the major drawback when implementing CSR policies and practices. From findings those who carry out extensive CSR practices are the big banks in terms of coverage, asset base and financial standing and they have the slack resources. Many managers cited costs associated with such activities as a major hindrance in pursuit for CSR .From the findings intangible resources such as reputation, organizational processes, culture and managerial competencies seem to matter most if strategic CSR is to lead to competitive advantage.

4.11 Recommendations

This section gives an outline of proposals and recommendations as given by the managers interviewed. Therecommendations were proposed to address the challenges highlighted by the managers which hinder the implementation of CSR as a strategic tool to gain competitive advantage. The table 4.12 below summarizes the responses from the managers interviewed.

Table 4.12 Recommendations

Bank/Respondent	Recommendations proposed
1	Banks should have clear CSR policies.

	<p>CSR should be taken seriously.</p> <p>CSR should be embedded in organization's core activities.</p> <p>Need to involve shareholders</p>
2	<p>Banks should have clear CSR policies.</p> <p>Need for proper planning by banks.</p>
3	<p>Banks should have clear CSR policies</p> <p>CSR should be taken seriously.</p>
4	<p>Banks should have clear CSR policies</p> <p>Shareholders and the board should be involved</p>
5	<p>Banks should have clear CSR policies</p>
6	<p>Clear policies.</p> <p>Need for board approval.</p>
7	<p>Banks should have clear CSR policies.</p> <p>Should get approval from the board.</p>
8	<p>Banks should have clear CSR policies</p>
9	<p>Banks should have clear CSR policies</p> <p>CSR should be taken seriously</p>
10	<p>Banks should have clear CSR policies</p>

All the managers interviewed recommended that banks should come up with clear CSR policies if strategic CSR is to yield benefits. Another proposal from some managers was that financial institutions should balance shareholder and stakeholder needs for strategic CSR to be a success and the shareholders should now consider making CSR policies for their institutions.

4.11.1 Key Findings

Findings reveal that there is need to sensitize everyone in the banking sector including the board and shareholders for smooth operationalization of such practices. The managers recommended that banks should come up with clear CSR policies if CSR is to yield benefits. They cited that what prohibited them to come up with clear policies was the shareholders who are more concerned with making profits and also the economic environment. Hence the managers suggested that there was need to deal with the agency theory so that shareholders also participate in formulation of CSR objectives. All managers agree that lack of resources was a major drawback for strategic CSR to yield competitive advantage. The managers proposed that, banks should look at their internal operations and processes and come up with structured CSR policies which are in line with their core business in order to be competitive.

4.13 Discussion of Results

4.13.1 How CSR is viewed by commercial banks in Zimbabwe

This section discuss results from key findings as given in results above and make an analysis complementary to existing literature. From the results CSR viewed as philanthropy, economic, ethical and legal. The activities can be rooted from Carrol's 1991 pyramid although on the contrary they differ in ranking. Results seem to place philanthropic motives on top priority in line with (Visser, 2008). Some Most managers cited that they are centred on ethical behavior where CSR shape ethical identity in support with (Hilderbrand et al, 2011). The study also reveal that, separating the four is a bit problematic as some of the dimensions of CSR tend to overlap. Hence having a CSR activity as ethical or philanthropic can also be (economic) strategic in nature. Literature has separated economic and philanthropic motives but they seem to overlap in line with (Garriga and Mele, 2013). Although activities may be philanthropic in nature, if incorporated into organizational strategy, they can benefit the company economically. Also philanthropic activities seem to be ethical in nature hence there is no clear demarcation of such activities. There is need to further look at the overlap nature of CSR activities in future research. Results show that the country context and the economic standing can have a huge impact on how CSR is implemented by organizations in support to the study by Jamali (2008). Absence of consistency in reporting, planning and CSR policies show that most of the banks are still

evolving towards aligning their CSR practices with core business competence. From the findings it can be concluded that the motivation is mainly philanthropic and economic followed by ethical and legal reasons. It can be further argued that the banks CSR activities are related to integrative and ethical theories which support CSR practices.

4.13.2 CSR and Organizational Philosophy and Key Values

From the results, CSR seem not to be grounded into organizational values and beliefs for most of the banks but there is need to investigate further as to what extend such activities are grounded in organizational values. It may further be analyzed as to whether the banks engage such activities due to organizational values or they need the activity to compete in the market. Although most of the activities are grounded into organizational values, most of the activities are not integrated into the core business of the organization. Hence organisational key values which makes CSR a success include staff commitment, integrity, service excellency, culture and supporting management as well as integrity.

4.13.3 CSR and stakeholder value

Although most of the banks consider both stakeholder and shareholder value in their CSR, evidence from findings suggest that they put more emphasis on shareholder value. This is because it is up to the discretion of shareholders to implement CSR activities. There is evidence most managers agree that both stakeholder and shareholder approval is important. Hence the study put emphasis on the importance of both the stakeholder and shareholder theory for CSR to yield competitive advantage. Shareholders are important in that they give directions and forma strategic alliance with investors, employees and the society. Stakeholders are important in that they legitimize and support CSR practices. Hence the two theories should not be separated from each other but they complement each other. With the same view, most managers agree that stakeholders have assisted the bank through giving support to the business. Building the case from (Porter and Kramer, 2006), competitiveness of an organization is a result of how stakeholders value the environmentally and socially responsible organization in terms of how they behave.

4.13.4 CSR Communication

Results show that most banks communicate their CSR through various medium such as television, annual reports and internet. Although results show a high level of CSR disclosure, the

banks fail to communicate effects and outcome of such practices. Also literature reveal information on CSR communication but there is no evidence in literature as to bank disclosure about outcomes of such CSR activities. There Low disclosure by some banks on CSR maybe attributed to the banks' perception that their activities have little or no effect on the environment contrary to (Hossan and Reaz 2007). Most managers agree that CSR communication has positive impact on reputation building in support with (Hossan and Reaz,2007) .Most managers agree that CSR disclosure enable banks to access capital markets in line with (Branco and Rodrigues, 2006; Ahmed et al, 2012).

4.13.5 Motivationfor CSR

From the results, motivation for CSR are diverse and include reputation building, to match global standards, ethical reasons, philanthropic, politically driven, visibility sustainability issues as well as to attract investors.From the results, the main reason why banks adopt CSR are philanthropic and economic in nature. The reason why philanthropic and economic motives are the most crucial is because of the economy which is struggling as well as the need to make profits. More than 50% of the banks engage in CSR to market their brand in the market and this can be a strategy to position themselves in the market and also to make profits.Ethical motive can also be another motivation since ethical identity is modelled by CSR in line with (Hilderbrand et al, 2011).Some managers argued that ethical organizations give consumers insight into the company's value systems and behavior. Most of the managers agree that CSR projects are important to society such that they deserve business attention although they say they had minimal influence on competitiveness when linked to its value chain. Hence from the findings banks seem to be more governed by market pressures other than non- market pressures.

4.13.6 Benefits for CSR and negative factors which may affect CSR implementation

Various CSR benefits have been identified in this study which include gaining competitiveness, reputation building, and economic, social benefits among many others. The benefits can be internal and external benefits. On internal benefits,CSR can help the company develop new capabilities and resources linked to corporate culture and expertise. External benefits include reputation (Branco and Rodrigues,2006).From the results benefits include good reputation attracts more customers ,better employees and more investors and this confirms results by

Branco and Rodrigues(2006).Reputation is crucial as this can be strategic tool to gain competitive advantage and it can influence the economic and social benefits.

Factors which may hinder progress for CSR include government interferences, lack of financial resources, agency theory, bureaucracy, old systems and structures. Old systems and structures include managerial competencies, bureaucracy and old way of doing things. The research found out that problems which affect competitiveness are mostly internal factors with regards to CSR.Hence if companies could revise their culture, structures and processes as well as boost financial resources, CSR would lead to competitiveness. Although external factors such as the operating environment and government might affect CSR implementation, they have less effects compared to internal factors.

4.13.7 Link between CSR and Competitive advantage

Since the service industry is very fragile, most managers feel they need to consider all stakeholder's needs as well as support the industry through donations towards education, health and support for small and medium enterprises, credit facilities to farmers and salary based loans to low income earners at lower interest rates. These can be seen as opportunities in the community which they say need to be harnessed for economic development of the company and survival. Although Zimbabwean banks CSR cannot be undermined and there seem to be no systematic attempts to measure impacts of such activities as they seem to be once off ventures from the information gathered. Findings reveal that there is limited sophistication regarding CSR strategies being employed by most banks and a more strategic approach need to be adopted so that what is portrayed in annual reports complement with what is on the ground. Although from the interviews some managers argue that their CSR is embedded into core business strategies and mission statements there is need to take a more formal approach for CSR to yield good results as well as incorporate both market and non-market pressures for competitiveness The findings reveal that ,banks engage in CSR because they are aware that it can give them a competitive advantage in line with Branco and Rodrigues (2006).Business cannot be seen as separate from the society but can be seen as a tool to further economic benefits through paying attention to CSR(Branco and Rodregues,2006,p.112).Hence indeed there is a link between CSR and competitive advantage.The contribution of this study include understanding CSR as a strategic tool to gain competitive advantage and there is need to investigate the outcome and extend to

such link. All the same results show that managerial competences play a crucial role in defining CSR for competitiveness and there is need for clearly defined policies to enjoy CSR benefits.

4.13.8 CSR and the resource based View

The results affirms (Pinkse, 2006) argument that the RBV framework lays competitive foundation whenever CSR strategies are implemented. Results also confirm Mc Williams et.al.(2006) who argued that a an organization must strategically use CSR and look at it from a resource based framework. These resources are argued to be rare, valuable, inimitable and organizational and these include committed employees, shareholder support, capital, reputation and organizational processes. These are said to be tangible and intangible resources and the intangible resources seem to matter most. From the findings firms resources include employee commitment, financial capital, competent management, good structures ,good reputation ,large branch networks as well as capabilities.

4.14 Conclusion

From the findings there is evidence that most banks are now conscientious on the value of socially responsible actions. However there is need by these companies to engage in innovative responsible strategies that exceed shareholder needs but also looks at multiple stakeholder needs in their long term objectives. In the early stages, CSR can stress the organization financially, but investments in charity, education and environmental protection can pay dividends through corporate reputation. Investors are increasingly seeking socially responsible firms as sustainability issues have become major concern in business. Prolonged CSR benefits lead to economic advantage that is sustainable .Therefore, in order for banks to gain competitive advantage, they need to embed their CSR initiates into organizational vision and core competences to be competitive.

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter summarizes the research study, makes conclusions to the results of the findings, as well as give directions and opportunities for future research. The chapter gives a summary of findings linked to research objectives. The main purpose of the study was to evaluate whether strategic CSR by commercial banks indeed can lead to competitive advantage and the research contribution to academia .The chapter, however gives a summarized study conclusion, limitations and recommendations for further research.

5.2 Conclusion

From all the samples, Zimbabwean banks are fully aware of CSR practices, but for most of the banks CSR is not formalized and is taken in a haphazard manner. In as much as CSR is conceived there is need to take CSR more seriously so that the banks can reap financial and social benefits in order to be competitive in the market. Research findings also show that CSR can be an important strategic tool to gain competitive advantage though the strategic intent is still fragmented. Most of the practice is mainly philanthropic in line with Chiheve(2013) findings. Commercial banks in Zimbabwe do not usually use their ethical and moral identity to enhance value as they are busy chasing profits. Hence adoption of CSR as a strategic tool in Zimbabwe is still in the development stage and more planning is required for the banks to be competitive. Managers should embed their CSR practices into their core business, ensure CSR expenses are budgeted for and CSR policies are well structured for consistency and sustainability. The study also shows that strategic CSR if embedded into core business activities can lead to competitive advantage supported by good corporate values, reputation, well-structured policies and organizational efficiency systems.

5.2.1 Different views for CSR and the Nature of CSR activities

Findings from the research show that the activities adopted by the banks are related to Carol's (1991) dimensions of CSR which are economic, legal, philanthropic and ethical dimensions and

the economic and philanthropic dimension prove to be the most dominant. This is contrary to Carol's (1991) pyramid, which suggest that the economic dimension as the most dominant. This then shows that economic setting as well as culture can influence the way CSR is perceived in support with Jamali, (2008) findings. The reason why philanthropic activities are given more attention than ethical practices in Zimbabwean context is attributed to the high unemployment rate and poverty though the dimensions seem to overlap in nature. Therefore ethical responsibility can also be seen as a strategic intent whilst philanthropic behaviour can be regarded both as a strategic necessity or competitive advantage and the economic drive as a competitive advantage. However, findings also show that economic benefits matter and economic value is derived from most of the activities. Further, research findings can conclude that CSR activities can be related to the integrative theories, Instrumental and ethical theories which justifies CSR practices. From the findings, the stakeholder theory seem to be at the center of CSR strategic approach in line with arguments by (Balmer et.al. 2007; Galbreath, 2009; Polonsky and Jevons, 2009).

Only a few banks priorities the legal dimension of CSR and the majority of these are international banks who would want to comply with the international guidelines such as the ISO26000 2010.Hence the researcher can conclude that some commercial banks adopt CSR taking into considerations all the four dimensions of CSR whilst some take one or more of the dimensions. The ranking of these dimensions may differ in terms of priority depending with the economic standing of country as well as culture. All these dimensions should be adopted but banks should also look at sustainability issues for such activities to gain competitive advantage.

5.2.2 The Reasons for Adopting CSR

Findings point out to a voluntarily engagement in CSR for all the banks. From the findings, the managers highlighted various reasons for adopting CSR which include reputation building, visibility, economic, philanthropic reasons, ethical, compliance as well as sustainability issues among others. Some managers cited that it was just a noble idea to engage in CSR. Business cannot be isolated from the environment from which they operate their business hence there is need to satisfy the stakeholder's in order to derive financial and social benefits .Hence management should take CSR engagement as equally important as they treat other investment decisions. In line with Branco and Rodrigues (2006), CSR should be presented as a business case

to further economic success through paying attention to responsible behaviour. To sum up the findings, CSR practices are seen by some banks as linked to organization's overall objectives and firm's strategy to achieve organizational goals and position themselves in the market. Further to this, some banks are practicing CSR to emulate others with most of them to promote their brand names and reduce reputational risk. The research therefore concludes that although the reasons for engaging in CSR are diverse the reasons also differ with organization. The reasons why banks engage in CSR can be said to be mainly philanthropic and economic in nature compared to legal and ethical. This can be attributed to the economic and social pressures within the Zimbabwean context.

5.2.3 Organizational Key Resources for Competitiveness

The data show that strategic CSR activities are a source of competitive advantage and these are rooted in the company's beliefs, values, culture and business processes. These lead to competitiveness and they are the firm's strategic resources which can lead to competitive advantage. From the findings, these resources include organizational culture, values, internal processes, branch network, diverse workforce, good reputation, financial services, financial standing and motivated workforce. Most managers argued that, CSR as Mc Williams and Siegel (2006) stated, can be viewed as an organization's resource if used as a business strategy to influence company operations. When business operations are influenced by CSR, it becomes a resource and can influence an organization to perform its processes. As indicated in the findings, organizations can gain competitive advantage by effective use of these company resources which are said to be rare, valuable, cannot be substituted and perfectly imitated. Hence this can be seen through the RBV framework. Banks need to make good use of CSR as a resource to motivate employees, increase profits as well as enhance corporate reputations therefore can lead to competitive advantage if it helps a firm manipulate its capabilities and resources.

From the findings reputation can lead to competitive advantage as most stakeholders will support such firms. An organization with a good reputation is also able to have good relations with influential stakeholders as well as attract better employees and foster diversity. Such companies can also charge high prices for their products and services. Hence from the findings, CSR result in external and internal benefits (Branco and Rdrigues,2006). All the same, the research findings show that the resource based view is a great way for banks to position themselves in the market

since competitiveness depends on business skills and resources as well as their specificity .Only market leaders afford the slack needed for the implementation of CSR differentiation strategies .Hence banks need to have a healthy financial standing so that adequate CSR resources are channelled to CSR activities to gain value.

Another resource from the research findings is related to the size of the bank in terms of geographical coverage. Findings from the managers suggest that size of the bank affect firm's competitiveness as extensive branch network formed one of the important resource they had to position themselves in the, market as well as a diversified and motivated workforces.

5.2.4 CSR Communication to various stakeholders

The image of an organization as espoused by its identities makes the communication link among its external and internal stakeholders as well as its resources. However a vibrant organization's communication strategies foster this interchange connection. From the study, most banks use communication to solicit cooperation and understanding from its stakeholders and this blending because stakeholders want to be associated with the organizations (Hilderbrand et.al. 2011).From the research findings, there is evidence that this communication is seen in the organizations behavior towards the environment, structures and processes, culture and belief systems. In order to foster this communication, various mediums have been used which include newspapers, meetings, intranet, internet, annual reports radio and television. Although banks voluntarily disclose their CSR, the researcher find out that most of the CSR activities are philanthropic in nature with no link to corporate strategies. There seem to be a gap that exists between identities the banks possess and what they practice.

Whilst all the banks communicate or disclose their CSR activities, there is no uniformity hence the need by banks to adopt systematic social reporting so that they match global standards such as the Global Reporting Initiative (GRI).If CSR is to be taken seriously, there is need for consistency and standardization in their social reporting .What is communicated should reflect what exactly is practiced by the banks and such disclosure should provide insight to investors and customers about the banks value systems and behaviours.

5.2.5 Stakeholder Influence

The research findings suggest that top management should be involved and should offer support to enhance brand equity in line with Hildebrand, Sen and Bhattacharya, (2011) .Stakeholders should support the strategic alliances as well as legitimise CSR activities. Hence research findings suggest that both stakeholder and shareholder's engagement are crucial for strategic CSR to lead to competitiveness.

5.2.6 Strategic Link between CSR and SCA

The interviewed banks focus on CSR activities which include education, donations to charity, health, enterprise development, humanitarian interventions as well as financial services which cater for the needs of stakeholders. Whilst these banks continue spend on CSR activities, the challenge still remains as to whether such practices give them an edge regarding competitive advantage. Most managers agree to the link if and only if there is shareholder support and approval, stakeholder support, if there is enough slack for such activities, diversified and dedicated workforce, service excellence and strategic alliance which can foster the link. Therefore from the findings there is a positive link between CSR and SCA although a few banks still doubt the relationship. Policies need to be well articulated with CSR goals linked to organizational objectives and sustainable growth. Hence from the findings, it is evident that most banks are trying to practice their CSR in line with global standards so as to gain competitive advantage. Since commercial banks are the back bone of the economy, because of their number, they face tight competition hence they are adopting CSR as a tool to gain competitive advantage and long-term sustainability. This shows that indeed there is a positive link between CSR and SCA.

5.2.7 Benefits of CSR

Mc Williams and Siegel(2010), argue that CSR is how a company manages its business to produce the overall positive effect on the environment companies operate their businesses. The research findings conclude that the benefits of CSR include good firm reputation, increased social and financial capital, and economic, competitive advantage, social and ethical benefits. Another benefit is that banks can position themselves in the market as well as reduce reputational risk. Some of the benefits can be social and economic .Hence from the findings CSR has got various benefits and most of them are long-term.

5.2.8 Challenges of CSR

In as much as commercial banks in Zimbabwe would want to formalize their CSR and use it as a tool to gain competitive advantage, various challenges have been observed from findings which makes the strategic intent difficult to implement. According to Arnold, Louche, Idowu and Filho, (2010) the factors that can influence the relationship between CSR and competitive advantage include management ideologies, internal resources, stakeholder relations and internal systems. The findings confirm this and raise concerns that although reputation, social and economic, financial capital and ethical benefits, lack of resources remain a major challenge given the operating environment in Zimbabwe. Also management incompetence also affect the operationalization of CSR through shareholder and management conflicts of interest as well as bureaucratic structures which will then lower the benefits of CSR. Other challenges include lack of seriousness and well-structured policies such that CSR is not communicated properly to employees and stakeholders. CSR needs employee commitment and findings revealed limited sophistication with regards to company's responsiveness strategies and limited stakeholder engagement. There is also evidence of limited systematic social reporting and most of the activities are not linked to organizational core business. In as much as banks engage in donations, sponsorships and other social programs, added value of such activities cannot be undermined but systematic attempts need to be done to measure the effectiveness and impacts of such intervention. This can contribute to literature for further studies.

Another challenge from the research results are to do with government or political interference with banks activities where some funds may be diverted to meet government needs.

5.2.9 Recommendations

In view of the research findings from the previous chapter, the researcher recommends the following to foster a link between CSR and SCA

- a)-There is need for a proper CSR budget for CSR related expenses and they should be adequately reported without generalizing them with other expenses. This will enhance transparency and seriousness such that CSR is more formalized.
- b)-There is need for a paradigm shift from espoused CSR to real identities and image of the organization. Banks need to be consistent in what they portray and what they actually do on the

ground to enhance stakeholder trust. This enhances their reputation and more stakeholders will then want to be associated with them and business is supported which will then lead to competitiveness. There is need for change in culture so that company values are reflected in the banks day to day transaction for CSR to make strategic sense. This can be done through getting rid of bureaucratic structures ,creating a positive culture among all employees as well as shareholder support. The overall focus should not be the discretionary responsibility or selective adherence but a focused, systematic and institutionalized approach is required for competitiveness.

C-Business synergies must be accretive to both shareholders and other stakeholders to make strategic sense. Hence CSR activities must be embedded to the business model and core activities for CSR to achieve competitiveness.

d)-All banks should have CSR policies so that CSR is not done in a haphazard manner to make strategic sense. Organisations should work more on competencies, employee commitments and internal structures so that they are favourable to the implementation of CSR. Also CSR practices should be in line with business core activities for such practices to make strategic sense for competitiveness. Findings reveal that adherence to CSR policies if any is not systematic and lack focus and institutional approach.

Theoretical Contribution

CSR in Zimbabwe represents new challenges and a paradigmatic shift for banks in . Findings reveal that despite good intentions and awareness CSR remains less formalized and focused to core business activities. Only a few banks have developed clear targets, due diligence and rigorous metrics in their pursuit with regards to CSR as a strategic intent. The practice of CSR are to be modelled by institutional realities which are specific and an environment which foster CSR implementation. Level of economic development is also most likely going to impact the implementation of CSR. Contextual factors will create an enabling environment and CSR must be founded on the realization that banks require commitment, management change and collaboration with influential stakeholders to leverage their competencies.

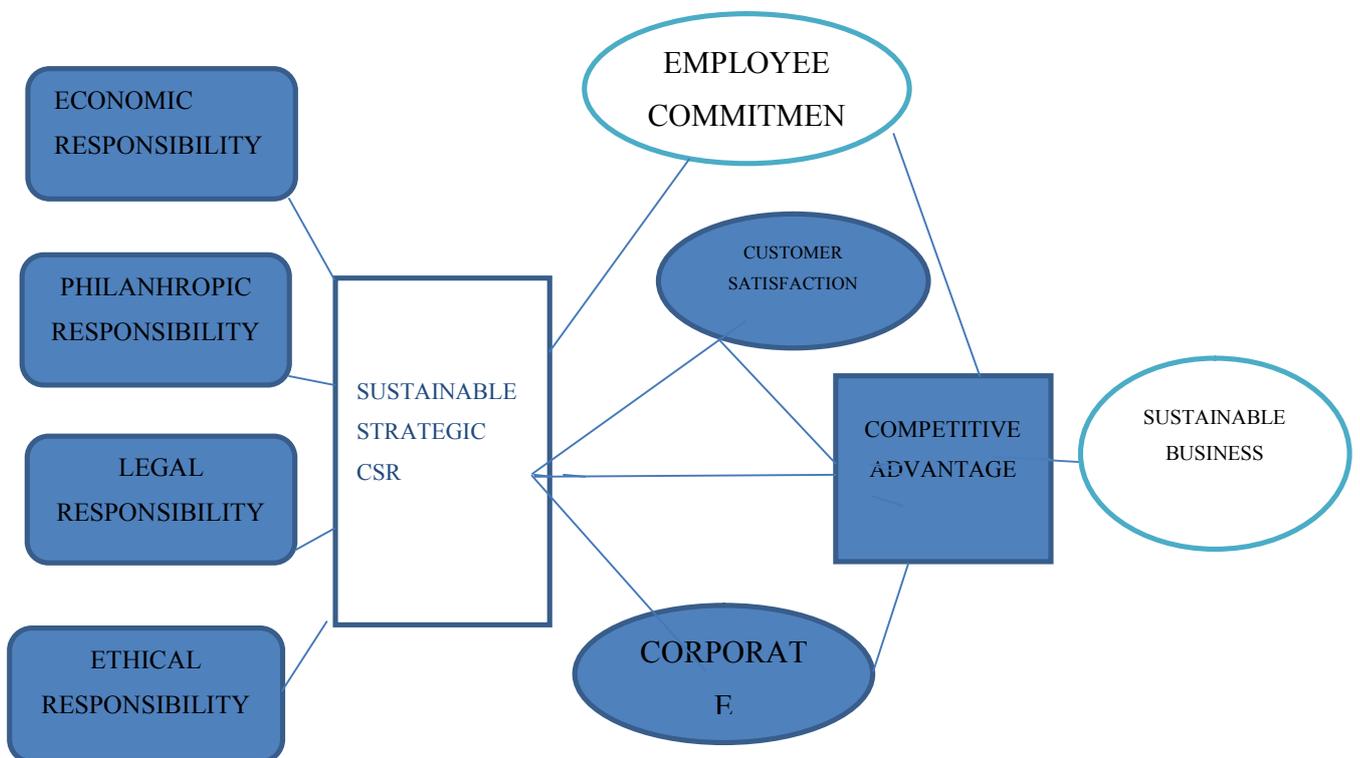


Figure 5.1: Modified Conceptual Framework

The modified framework reveal that ,if companies CSR activities are economically, ethically,philanthropic and legally responsible ,they can position themselves strategically in the market, thereby gaining competitive advantage which will overallly lead to sustainable business. This can be achieved if their activities are in line with organisational core business, have good reputation, satisfy various stakeholders and there is employee commitment and involvement and

overall company strategy. Hence stakeholder theory form the basis of this research study although ethical and institutional theory can also contribute.

5.3 Limitations

One of the major limitations for the research study was time frame available to conduct the research. The researcher had difficulties in conducting the managers in charge of CSR since most of them are marketing managers. The nature of their jobs involves travelling a lot and they had busy schedules. Also there were some interruptions during the course of the interviews and this might have compromised the data collected. Another limitation is that the research was a multi case analysis using qualitative approach, using a different approach will produce different results since the results can be quantified. The research could also yield better results if external stakeholders were interviewed to give their facts to eliminate bias.

5.4 Areas for Further research

The researcher acknowledge that the research is not exhaustive since CSR is broad .Hence future research can focus on the link between CSR and SCA using cross industry analysis and also using a different research approach.

The researcher also recommends further study on the relationship of CSR with other economic measure such as customer base, sustainable growth rate and profitability. Also the research focused entirely on commercial banks in Zimbabwe, hence generalization cannot be extended to non-commercial institutions .Further research can therefore include non-commercial banks.

The conclusion address answers to the research question .However, from the findings, the results show that there are hidden opportunities which lie in the environment organizations conduct their business. CSR however is not about just philanthropy and ethics, but it has vast opportunities if they are strategically embedded into organization's core business. The benefits might not be felt immediately but if there is consistence it can yield huge benefits which include gaining competitiveness, reputation, social and financial profits. The companies must always take into considerations all the dimensions of CSR when carrying out business. Through the gathering of data from the interviewee and annual reports, findings are that CSR depends on political, economic, social, organizational values, beliefs, size of the organization, strategic intent and company policies. The research however establish economic, legal, social and strategic

opportunities that CSR can build depending on the strategic intent of the organization .Study findings prove to be in line with literature where relational ,utilitarian ,ethical and agency theories fit well with the research.

Gaining competitive advantage is one aspect that Zimbabwean banks need to take seriously given the stiff competition in the financial sector. A company can achieve competitive advantage acquire and develop resources that outperform its competitors. Hence the researcher can conclude that there is a link between CSR and SCA if certain guidelines are followed and although commercial banks are practicing CSR as a competitive advantage there is a need for a more formal approach to CSR.

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Appendix A: Letter of Consent



University of Zimbabwe
Graduate School of Management (GSM)
P O Box
Mnt Pleasant
Harare
Tel: *04-745316/20 or 0774110716*
E-mail: dzekat@gmail.com or gsm@commerce.uz.ac.zw

This consent paper is a copy I give to you for your reference and records. It is only a process of consent and feel free to raise any queries with regards to the exercise and reference may be directed to myself on the above address or email. Kindly note that any issues discussed here is strictly for educational purpose and confidentiality is highly assured.

My name is Tendayi P Dzeka and I am a research student at the University of Zimbabwe Graduate School Of Management reading for a Master's in Business Administration. I hereby contact you with regards to my research project titled; an evaluation of the effectiveness of adopting Corporate Social Responsibility as a business strategy to gain competitive advantage amongst Commercial Banks in Zimbabwe that I am undertaking as part of my study. The research has full approval of the University Of Zimbabwe Graduate School Of Management and is being supervised by Dr D Madzikanda.

Purpose of the Study

The project evaluates the adoption of CSR by commercial banks as a business strategy to position themselves as market leaders in Zimbabwe. It however seeks to address collective CSR practices towards addressing social challenges and evaluate how banks involve interested parties

in such programs and the impact their exclusion and involvement has for social and strategic change effort.

Premised on the various CSR theories, the study seeks to acknowledge business impact on society and therefore seeks to evaluate organizational interest in the society. The underlying objective of the study is to evaluate the benefits of CSR, addressing the misconceptions about the practice as well as sustainability issues associated with the practice .It evaluates whether adopting CSR as business strategy leads to competitive advantage.

You have however been selected to participate in this study since you have professional expertise in CSR practices.

Researcher's responsibility

a) Discussion will be done in a telephone, email or face to face audio recorded interviews. The interviews will last about 30-60 minutes at a convenient location in your organization.

b) Participation in this study is strictly voluntary. You are assured liberty not to participate if you are not comfortable and there is no remuneration for participating.

Personal Information to be collected.

Collection of information about gender, level of education, age, and profession will be presented in an aggregate form for all publications so as to ensure anonymity and confidentiality. You may choose or be given a pseudonym prior to the interview in order to be able to identify you during interviews in publications and data analysis. Information you provide can be quoted in publications, provided the information does not compromise your anonymity.

Below are options you may choose if you decide to participate in the research. Please insert a check mark against the correct response.

Assign me a pseudonym Yes: ___ No: ___

I prefer to choose for myself a pseudonym: Yes: ___ No: ___

The pseudonym of my choice is: _____

Raw information given will be used by the researcher and the supervisor and can also be used for future research in longitudinal research studies.

Signatures (written consent)

Your signature indicates that you fully understand, agree and you are satisfied with the information provided concerning your participation to this research.

Participant's Name: (please print)

Participant's Signature _____ Date:

Appendix A: Interview Guide

Tendayi P Dzeka

Research Student

Graduate School of management

University of Zimbabwe

Mt Pleasant

Harare

Zimbabwe

Cell: 0774110716

E-mail: dzekat@gmail.co

The interview guide is intended to be an open discussion in order for the researcher to gain more information. As such the interview revolves around the following guiding questions.

Questions:

Section A-Demographic Information

- 1a) Name
- b) Gender
- c) Age
- d) Level of education
- e) Profession

Section B

- 2) Can you give a brief background information about of your company?

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- 3)How does your organization view the CSR concept and what are your CSR activities?

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- 4) What is your bank's philosophy and values for CSR strategies which has seen it become the

top corporate citizen in the financial sector?

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5) What are the reasons or motivation behind adopting CSR for competitiveness given the current financial crisis in the Zimbabwe?

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6) Who are your stakeholders and what role do they play in the operationalization and determination of a CSR strategy?

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7) How do you publish or communicate your CSR activities and how is such communication supported both by stakeholders and employees?

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Section C

8) What are the banks opportunities in terms of CSR and how do you meet your stakeholder's needs?.....

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9) What feedback do you get from your stakeholders as a result of your CSR engagement?

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10) What do you think are benefits for adopting CSR as a business strategy to gain competitive advantage?

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11) What do you think are the challenges which hinder operationalization of CSR?

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12) What can you say about the link between CSR as a business strategy and competitive advantage?

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Section D

13) What are your organisation's CSR key resources that give your organisation a competitive advantage and differentiate it from its competitors?

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14) What recommendations do you think can be proposed to ensure adopting CSR as a business strategy will be a success in order to gain competitive advantage in the long run?

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.....

Section E

15) Can you give me your thinking on what will happen if you ignore the social aspect in your business strategy as well as any contribution to the research topic?

.....

Thank you.