

IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY INITIATIVES FOR TANZANIA CORPORATIONS AND NOT FOR PROFIT ORGANIZATIONS

Omary Swallehe Tanzania-Mzumbe University

ABSTRACT

Many organizations use corporate social responsibility as a means of creating sustainable competitive advantage through building strong mutual relationships with all the stakeholders. Organizations use (CSR) as a strategy through implementing social activities such as building schools, hospitals, supporting social services and even contributing to the well-being of needy citizens. The purpose of this study is to evaluate activities of the corporate citizens in Tanzania and find the best way of aligning CSR initiatives to attain mutual benefits between the organizations and general public. Specifically, the study investigated and found the answers to the questions regarding; actual amount or percentage of profit that should be returned to the community as CSR, where the ideas for the kind of support should be initiated from, who should be given the support, when the support should be delivered to the targeted community, the frequency of the support and more importantly who from an organization should be championing the programme.

A total of 45 both for profit and not for profit organizations were engaged in this study from four different industries. The study used semi structured interview guide to collect data and the focus group discussion was organized. . Contents analysis was used to categorize the responses into five major themes: strategic CSR, organization ownership of CSR initiatives, origin of CSR ideas and types of support, beneficiaries of CSR supports and legal enforcement available.

This study found out that, a majority of the surveyed corporations (both public and private) do not regard CSR as a source of competitive advantage through legitimization of companies' offerings to the customers and general public rather than moral obligations to the surrounding community. In this regard, the value of CSR cannot be clearly evidenced when CSR is not regarded as of great beneficial in terms of creating competitive advantage to the contributing organizations. Furthermore, the findings revealed that, it is the discretion of the contributing firms to decide on the amount, frequency, to whom, when and how CSR can be practiced in Tanzania. In other words there are no any provisions/policies guiding CSR initiatives in Tanzania. .

Key words: Strategic CSR, Value, Organization and Society

1. Introduction

This is a book chapter on “Implementation of Corporate Social Responsibility Initiatives in Tanzania Corporations and Not for Profit Organizations”. The chapter is expected to be included in the book titled ‘Values *and Corporate Responsibility - CSR and the Sustainable Development Goals*’. The chapter is very relevant because it is in line with the theme above and it was researched in an area where studies of this nature are scanty. Furthermore, the findings for this particular study will add significantly to the already available literature on the best ways of making corporations and public organizations realize the usefulness of CSR in value creation.

Studies for example Du, Sen and Bhattacharya (2008); Sen and Bhattacharya (2006) show that many people /customers tend to favor companies that act in favor of community initiatives than those which do not. Recently, the concept of corporate social responsibility-CSR in creating competitive advantage to the business firms has been attracting the attention of many researchers (McWilliams et al., 2006; Baumgartner & Winter, 2014; Galbreath, 2009; Lamberti & Noci, 2012)). Studies further reveal that through participation in community projects firms can draw positive attitudes and support from the public and other stakeholders. According to Baumgartner & Winter (2014), the benefits include, but are not limited to the company’s reputation, credibility and ultimately competitive advantage. In most cases, both business leaders and stakeholders have regarded CSR as an impetus towards achieving organizational objectives and social well-being (McWilliams et al., 2006)

The modern business environment does not allow companies to be inward looking and working only with the view of making profit as the sole responsibility. Companies should be looking forward to making efforts to solve community problems as part of their daily routine. The success of modern companies, both public and private, hinge on and are heavily correlated with achieving consumer loyalty, employees’ retention and productivity and overall organizational image and reputation. According to Arli and Lasmono (2009), Corporate Social Responsibility-CSR is linked to the criterion consumers use to purchase products and services.

This is to say, when the company is perceived to have been doing things in line with expectations of the community, then, it will be regarded positively and will be favored ahead of competitors

and the opposite is also the case. So, CSR initiatives affect stakeholder's perception of quality and a company's reputation.

According to Yoon and Gurhan-Canly (2004), in a situation where consumers perceive CSR initiatives in a positive way, the organization's offerings from this particular firm will be regarded as of superior quality. In the same view, if the customer is having negative perception of the CSR activities performed by the organization, automatically the products/services will be regarded as of poor quality. The behavior of many corporations are under close scrutiny by many constituencies such as customers, suppliers, shareholders, employees, banks, communities at large, media and competitors, to mention but a few (Baumgartner & Winter, 2014). Peter (2001) urges that, through supporting those companies which act responsibly towards community projects, consumers feel that they can make a lot of difference and ultimately change the behavior of the corporations which do not support community affairs.

Other researchers such as Sen (2004), Baumgartner & Winter, (2014) and Yoon and Gurhan-Canly (2004) contend that, customers normally use CSR initiatives of the organizations to make evaluations. One of the core external-behavioral outcomes of CSR activities is purchase behavior, which presupposes that several contingent conditions are satisfied. The other outcomes of evaluations include: customer retention, the ability and willingness of the customers to convey word-of-mouth marketing about the organization, and willingness to pay premium prices for the products and services offered (Bhattacharya and Sen, 2004).

According to Freeman (1984), the ability of the firm to manage and ultimately satisfy the interests of the various and diverse stakeholders leads to significant improvements of the organizational performance at the market place.

The driving force for many organizations to invest significantly in CSR initiatives lies in its ability to manage stakeholders. In fact, many companies have conducted CSR programmes as a way to promote socially responsible actions and effectively respond to their stakeholder demands (Maignan and Ferrell, 2004). Business stakeholders are often defined as any group or individual who would affect or be affected by the achievement of the organization's objectives (Clarkson, 1995). The stakeholders of the organizations can be categorized into primary and secondary stakeholders as well as internal and external stakeholders. Stakeholders may include

shareholders, employers, investors, managers, employees, customers, banks, suppliers, governments, to mention few of them. The CSR initiatives of the organizations have impacts on the natural environment, communities, individuals and organization.

Studies like McWilliams et al. (2006) Baumgartner & Winter(2014) Galbreath(2009) and Lamberti & Noci (2012), show that both private and public organizations have been implementing CSR initiatives for many years with differing objectives. While many business organizations are likely to use CSR among their marketing strategy in presenting their products or service to a market, it is not clear how the public organizations can reap the value of CSR initiatives. Moreover, while the literature for the CSR's benefits in private and business oriented organization is abundant, the same is scanty at least in developing countries like Tanzania (Lamberti & Noci, 2012).

The literature with regards to the CSR benefits for business organizations contributing to the corporate responsibility initiative in terms of drawing positive outcomes is plenty; studies also show how not for profit organizations can benefit in the form of increased donations for charities and non-governmental organizations and more positive word of mouth from the public. (Lichtenstein et al., 2004, Bhattacharya & Sen, 2004, Ferris, 1998), on the other hand, scholars such as Lichtenstein et al., (2004) argue that, more studies about the impact the CSR has on not for profit organizations. This is because the CSR has been measured and viewed as of great beneficial to the profit oriented or rather corporations supporting the not for profit institutions. Benefits accrued to the corporations like competitive advantage, positive word of mouth from the community, donations and existence of volunteer programs cannot be seen from not for profit organizations.

Researchers for example Waagstein, Patricia Rinwigati (2011) and N. Andrews (2016) have studied the challenges for mandatory CSR in Indonesia and Ghana respectively. The two studies have highlighted the challenges for mandatory CSR in Indonesia and Ghana. Among the challenges frequently mentioned by the two studies are like; Companies are not willing to spend for example 2% of their net profits on community issues and urge that they can spend even more should the concept comes from their own initiatives. Majority of the companies are not supporting mandatory CSR and believe that successful CSR initiatives should be voluntary and not mandatory. (Waagstein, Patricia Rinwigati 2011, N. Andrews 2016). The idea that a certain

percentage of corporate profitability needs to be spend for CSR initiative for organizations contradict the implementation of CSR by not for profit organizations.

The way CSR is implemented differs significantly between countries as some countries like Tanzania are considered to be at the rudiment stage while other countries might be at an advanced stage in implementing the initiatives. This study attempted to find an answer to the research question *how CSR initiative is implemented by Tanzania corporations and not for profit organizations?*

2. LITERATURE REVIEW

The fact that there is no universally acceptable definition of Corporate Social Responsibility, then, different scholars have defined CSR in different ways. According to Chandler & Werther, (2014), and Coombs & Holladay (2012), corporate social responsibility is the voluntary actions a company or organization implements to pursue goals, with a responsibility to its stakeholders. In the same line, European Commission (2014) defines corporate social responsibility as “the responsibility of enterprises for their impacts on society”.

Kim and Reber (2008) suggest that corporate social responsibility is a “central relationship-building activity within organizations”. In this case therefore, there are so many benefits accrued to the organizations engaging in CSR initiatives, which include but not limited to increased level of voluntary spirit among individuals, a good working environment for the employees, cost efficiency, media coverage in a positive manner and good public image. Others may include long lasting impact especially on corporate reputation, organizational value and loyalty amongst stakeholders.

Research suggests that a company’s CSR efforts can bring about so many benefits for the organizations such as a positive image of the company (Lichtenstein, Drumwright, & Braig, 2004). Positive reputation of an organizations (Jo, 2011; Kim & Lee, 2011), legitimacy and enduring customers support (Bortree, 2009), a higher purchase intention among consumers (David, et al., 2005; Lee & Shin, 2010), and an increased level of stakeholder loyalty (Gomez & Chalmeta, 2011).

Hong and Rim (2010) studied the link between CSR initiatives and perceptions of the stakeholders and found out that, CSR has indirect impact on the word of mouth marketing in terms of creating reputation, company value and stakeholders goodwill.

The benefits mentioned above are all relating to the private and profit-oriented firms while the public and not-for-profit organizations are sidelined to a great extent. Furthermore, it is not clear on whether the communities do benefit the same way as the corporations are benefiting from CSR initiatives. The study is therefore looking at stakeholders' theory, Legitimacy and Social Contract Theory to inform the study.

Legitimacy theory

Deegan (2000) defines Legitimacy as “a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions”. To this end, organizations' attempt to establish congruence between “the social values associated with or implied by their activities and the norms of acceptable behavior in the larger social system of which they are part” (Dowling and Pfeffer, 1975).

Organizational legitimacy is not a steady state, but variable. This variability is not only temporal, but also spatial or across stakeholders and cultural groups. Therefore, depending on an organization's perception of its state or level of legitimacy, an organization may employ 'legitimation' strategies (Lindblom, 1993). According to legitimacy theory, the participation of an organization with a community will enhance the corporate image, through the action that organization will take. Thus, building a relationship between the organization and community will improve the company image and resulting in better performance of the product or service of the company.

Stakeholder theory

Instead of starting with a business and looking out into the world to see what ethical obligations are there, stakeholder theory starts in the world (Freeman 1984). It lists and describes those individuals and groups who will be affected by (or affect) the company's actions and asks, “What are their legitimate claims on the business?” “What rights do they have with respect to the company's actions?” and “What kind of responsibilities and obligations can they justifiably

impose on a particular business?” In a single sentence, stakeholder theory affirms that those whose are alive are touched by a corporation hold a right and obligation to participate in directing it. Donaldson and Preston (1995, p. 67) held that the stakeholder theory has a normative core based on two major ideas. (1) stakeholders are persons or groups with legitimate interests in procedural and/or substantive aspects of corporate activity (stakeholders are identified by their interests in the corporation, whether or not the corporation has any corresponding functional interest in them) and (2) the interests of all stakeholders are of intrinsic value (that is, each group of stakeholders merits consideration for its own sake and not merely because of its ability to further the interests of some other group.

Social Contract Theory

Society as described by Gray & Adams (1996) is a social contract between the members of the community and the society itself. The context of corporate social responsibility companies are not implementing CSR activities not just because it is part of the business day to day operations, but rather because the community expects the business to operate in that way. The social contract theory was developed by Donaldson and Dunfee (1999) with the view of letting managers make decisions in light of the ethical context. They went on differentiating the social contract into macro and micro social contracts. Macro social contract is when the organizations provide support to the community and that could be regarded as micro social contract. This might be regarded as part of the commercial benefit of enhanced reputation, but also links to gaining and maintaining legitimacy (Suchman, 1995). Moreover, the theory of social contract is in line with the current study in the sense that organization have developed to become more integrated with the community by providing support to its local community and entire involvement of community development in order to meet desires of community and to enhance corporate image. The analysis of the literature and the theories above in particular amplifies the fact that, Corporate Social Responsibility is a tool mostly used by commercial organizations. For public organizations and not-for-profit establishments, CSR is limited in its applications and the benefits accrued by these organizations are not that much compared with commercial establishments. While the corporations can draw financial benefits from CSR initiatives in terms of creating competitive advantage over competition, the public organizations and not for profit though implementing CSR initiatives but they only obtain social and legitimacy benefits. The current study tried to find answers to the two basic questions as follows;

1. How is CSR defined in the context of public and not for profit organizations (in Tanzania?)?

We tried to figure out whether practitioners in business and public organizations regard CSR in the same way. CSR has been debated for so many years and it is believed that serious discussion begun back in 1950s. Secchi (2007) and Lee (2008) contended that the definition of CSR has evolving from time to time in terms of its meaning and scope.

In the early twentieth century, social performance was tied up with market performance. The pioneer of this view, Oliver Sheldon (1923, cited in Bichta, 2003), however, encouraged management to take the initiative in raising both ethical standards and justice in society through the ethic of economizing, i.e. economize the use of resources under the name of efficient resource mobilization and usage. By doing so, business creates wealth in society and provides better standards of living. CSR is considered by many as obligation by the organizations to comply voluntarily with activities aimed at improving the standard of the people within and outside the organizations such as employees, customers and general public. Others consider CSR in the ethical side by looking at the way organizations perform their duties in line with the community benefits.

It involves activities such as working hand in hand with the communities to solve the problems, establishing socially responsive projects, relationship with workers, customers, families and involving them in environmentally-friendly initiatives and sustainability.

2. What are the benefits of CSR accrued to public and not-for-profit organizations?

The studies show that CSR initiatives take different outlook in public and profit oriented organizations. There are scarce findings of the benefits of CSR initiatives to the public and nonprofit organizations.

Despite the scarce research studies which investigated the benefits of CSR to the public and not for profit organizations, there are however, so many positive outcomes of CSR such as increased identification; more favorable perceptions among the public.

Accountability is one of the benefits the public and nonprofit can enjoy the same way corporations are enjoying. Things like transparency, recycling, working in environmentally friendly initiatives, good governance, and ethical communications are all the benefits enjoyed by both public organizations and corporations. Again, both public bodies and corporations face the ethical issues such compensation of the employees, financial integrity, conflict of interest,

investment policies, accountability and long-term thinking of the organization. The CSR initiatives could therefore benefit these organizations equally, in terms of building trust and credibility, accountability and transparency in their daily operations (McElhaney, 2009)

The survey conducted most recently shows that, few of the public and nonprofit organizations employees believed that their work places had ethics and compliancy programs designed and implemented like corporations (Chandler & Werther, 2014; Coombs & Holladay, 2012). The problem can be addressed through developing proper institutional mechanisms, greater programmes to educate the public, and bring more transparency and inclusive performance metrics. While the CSR definitions and perceptions can differ slightly between public and corporations, the benefits of the initiatives are broadly similar because each has stakeholders. So, from stakeholders' point of view, both the public and corporations need to design the CSR initiatives that will be aimed at solving community problems and participate fully in communities' development initiatives. The literature on the benefits of the public and corporations towards CSR initiatives are plenty. However, few studies have reported how CSR initiatives can work to benefit both organizations and society. There should be a proper means of implementing the CSR initiatives from both the corporations and the society.

Both theoretical and empirical literature review analyzed above show that CSR initiatives are more evident in corporations than in public organizations. Corporations do benefit from using CSR as a competitive tool while public corporations cannot draw financial benefits of the CSR initiatives.

3. Methodology

In this study, we have used focus group discussion of forty-five (45) participants from corporations, public and nonprofit organizations. In essence, the study comprises of thirty people from corporations, eight participants who are people dealing with community engagement from public institutions and seven participants from NGOs. The corporations were drawn from banking industry 12, Mobile telecommunication Industry 3, Manufacturing Industry 10, Retailing 5. The study used convenience sampling to draw participants. We wrote to these

corporations and public organizations inviting them to take to the focus group discussion for the study. In total, we sent 85 invitation letter and 45 confirmed to participate.

Hughes and DuMont (1993) defined focus group as generally understood to be a group of 6–15 participants, with an interviewer, or moderator, asking questions about a particular topic. ‘Focus groups are in-depth group interviews employing relatively homogenous groups to provide information around topics specified by the researchers. It was a carefully planned interview to make sure that the two topics; definitions of CSR and benefits of CSR to the corporations and not-for-profit organizations are explored in great details. The two topics of the study were then organized into five themes namely; strategic CSR, organization ownership of CSR initiatives, origin of CSR ideas and types of support, beneficiaries of CSR supports and legal enforcement available.

In the first place the researchers explained the meaning and essence of conducting this particular study. In the second instance, we tried to see how the subject matter of the discussion is potentially understood by different participants. After satisfying all the processes and requirements for the focus group discussion data and information were collected from the participants. Then, we prepared and distributed 10 questions to the participants regarding the roles of organizations’ CSR activities in relation to community development.

Collected data were then organized and analyzed using contents analysis under five themes based on the questions developed for this study and then summarized using contents analysis method.

Despite the ten questions given to the participants the author was able to categorize the findings into five theme as follows; strategic CSR, organization ownership of CSR initiatives, origin of CSR ideas and types of support, beneficiaries of CSR supports and legal enforcement available. The subsequent section will present and discuss the findings of the study summarized into the above themes and followed by the discussion.

4. Findings

The main objective of this study was to investigate how the CSR initiatives can work for both organizations and communities. In the first place we put forward a probing question to the participants asking them to show their understanding of CSR concept and whether it is practiced

at their organizations. As was expected, the overwhelming majority of the participants showed great understanding of the concept and this was not by surprise as all the people are actively involved in CSR and community affairs from these organizations. However, we had two different views of the participants on whether CSR should be recognized by law or it has the initiatives from individual organizations. One of the participants said..... *"when CSR is left to be the discretion of the organizations then the moral responsibility differs significantly between people. As the result, we may end up having corporations which do not contributing significantly to the community well-beings"*. The participant went on pinpointing the corporations which destroy the environment and are not actively participating into the process of solving the problems brought by the organizations. The participant further said..... *"If it is not going to be properly captured into our legislatures, then community problems will be recurring and no one can afford to solve them in the future"*. The participant was supported by the other participants and who went ahead even to propose the percentage of the income from the corporations to be set as for community affairs. Another participant thought that it has to be an initiative performed by organizations themselves. In this discussion on whether CSR initiatives need to be recognized by law or not, we found that participants from public and nonprofit organizations tend to support the view that CSR needs to be recognized by laws and legislations while the overwhelming majority of the participants from the corporations were of the view that there should be some initiatives from the corporations themselves. Their views are in line with that of the social contract theory which was developed by Donaldson and Dunfee (1999) who think that, managers should be left to make decision in light of the ethical context. Supporting community well-being, it is an ethical and it should not be guided by laws and provisions.

Then, we wanted the participants to discuss the view that both corporations and public organization can benefit in the same way from CSR initiatives. Differing opinions were given with majority of the participants from public organizations and NGOs believed that, they are not benefiting at all on participating to the community development initiatives.

After probing more and expanding the horizons of the CSR initiatives then participants were in agreement that they do benefit but not financially. It was agreed that corporations do benefit from financial and non-financial outcomes, while the public organizations benefited from only non-financial outcomes. This is in line with Legitimacy Theory which according to Deegan (2000), Legitimacy can be considered as "a generalized perception or assumption that the actions

of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions” . To this end, organizations attempt to establish congruence between “the social values associated with or implied by their activities and the norms of acceptable behavior in the larger social system of which they are part”. Then we wanted the participants to discuss how the CSR activities are performed in their organizations and tried to compare with the best practice. We put forward the question on whether they have proper and well documented CSR plans. The researcher was caught by surprise to find out that only five participants had said YES they do while the remaining said NO, it means they are working without CSR. This is contrary to the best practice of CSR initiatives which requires firms to plan these initiatives and regards it as the source of competitive advantage (Lubin and Esty, 2010, McElhaney, 2009). Other organizations have officers who deal with community affairs and the majority of the initiatives were reported to be originated from within the corporations and not from the communities. We then embarked on the roles played by corporations and public organizations to the societies/communities well-being. We prepared 10 items below and asked the participants to discuss how effectively they have participated in these roles;

- To share the negative consequences as a result of industrialization
- Closer ties between corporations and community
- Helping to get talent
- Role in Transfer of Technology (ToT)
- CSR helps to protect environment
- CSR is for human right corporate sustainability
- Interdependency between a corporation and community.
- A CSR program can be seen as an aid to alleviate poverty
- A CSR program helps in data gathering for other public organization function.
- For corporate sustainability goals

Majority of the corporations and public organizations seemed to be participating in almost all of the above initiatives. However, their roles in environmental protection and a tool for poverty alleviation were ranked highly by participants. It was agreed by all participants that, both the organizations and communities do benefit from the CSR activities, though the magnitude of

benefits differ significantly because different organizations have different approaches on CSR initiatives.

Discussion of the findings

The findings of the current study contradict the works of other researchers such as Branco and Rodrigues (2006); Ullmann, 1985; Vogel, (2005); Porter and Kramer, (2006) that, CSR is not the source of competitive advantage but rather moral obligation of the contributing organizations to the community well-being. Researchers for example Branco and Rodrigues, (2006); Orlitzky, (2008), have shown strong correlation between CSR initiatives of the organizations and competitive advantage. Other researchers have investigated the nature of relationship between CSR and Corporate financial performance with contradicting and inconclusive findings. (Fishman et al., 2005; Ullmann, 1985; Vogel, 2005; Brammer et al., 2005; Porter and Kramer, 2006; Cardan and Darragh, 2004 & Barnett, 2007).

Furthermore, Advocates of CSR have outlined the benefits of corporate social responsibility to include but not restricted to; the increased engagement and retention, stronger partnership with the community, increased corporate reputation and brand image, competitive advantage and stronger financial performance. (Porter and Kramer 2006; Wether and Chandler 2004; Porter and Kramer 2011). Ideally, CSR benefits of an organization can be divided into those benefits which are tangible and those which cannot be seen by bare eyes. Tangible benefits to the contributing firms are those that can be quantified in financial and physical terms whereas intangible benefits are harder to quantify and are non-physical in nature. (Ullmann, 1985; Vogel, 2005; Porter and Kramer, 2006).

Corporate reputation, reducing business risks, boosting sales revenue, brand image, customer loyalty and customers value have been identified conceptually by researchers to be external benefits of the CSR initiatives.(Logsdon and Wood, 2002; Orlitsky et al., 2003; Orlitzky and Benjamin, 2001; Solomon and Hansen, 1985; Auger et al., 2003). On the other hand, Internally, the benefits include; learning organization, ability to attract better workforce, employees motivation, employees commitent and employees morale. ((Backhause et al., 2002; Fulmer et al., 2003; Ballou et al., 2003); Branco and Rodrigues, 2006; Orlitzky, 2008;Branco and Rodrigues, 2006; Maxfield, 2008);Branco and Rodrigues, 2006; Orlitzky, 2008; Frank, 1996).

The contradiction of the current study with currently available literature with regards to CSR as Competitive tool could have been contributed significantly with the nature of the corporations

interviewed and general understanding of the CSR by practitioners. Also that, this concept is still new in Tanzania and many studies have not been conducted in the area as yet. CSR implementation is still at the rudiment stage and much has to be learnt by corporations and public organizations with regards to CSR implementation and how firms can leverage the benefits of CSR.

Regarding the findings that CSR implementation in Tanzania is discretionary of which the contributing firms decide the frequency, amount, when and who to be given the assistance as there is no any provision in the books of laws/CSR guidelines are not in line with the works of Waagstein, Patricia Rinwigati (2011) and N. Andrews (2016) who studied the challenges for mandatory CSR in Indonesia and Ghana. The two studies have highlighted the challenges for mandatory CSR in Indonesia and Ghana. It is not the scope of this book chapter to stimulate the debate on whether CSR initiatives should be mandatory or voluntary in developing countries.

Conclusion and Research Implications

Generally, CSR as it can be seen from the study is a very important concept and a tool for competitive advantage in modern Business settings.

The analysis of the theories and the understanding of the concept as per the discussion in the focus group require organizations to look at CSR in a multidisciplinary manner in the way people regard it and how it is practiced. In this study, we have seen that different people regard CSR differently and the practice is different from one organization to the other. Also that, theories reviewed for the study largely explain the meaning and application of the concept but they consider contextual issues. This is to say different organizations in different countries can practice CSR differently. The challenges for implementing CSR initiatives differ significantly from one country to the others.

It can be concluded that, there is differing opinions among the study participants from public organizations and NGOs. Participants from public organizations believed that, they are not benefiting at all (Financially) on participating to the community development initiatives. It was agreed that corporations do benefit from financial and non-financial outcomes, while the public organizations benefit from only non-financial outcomes.

CSR planning is not undertaken by majority of the organizations despite the benefits of the CSR to both corporations and public organizations. In many of the interviewed corporations, there is

no congruence between their business strategy and CSR initiatives. Others do not have even specific officers to deal with community initiatives and fail to benefit from competitive advantage brought by CSR activities.

In this study we have seen so many roles played by the CSR activities to bring about community and society well-being. However, the significant roles can be enhanced when the organizations are focusing on looking at CSR as the source of competitive advantage and not just the moral obligation of the corporations to the community. There should be congruence between the overall business strategy of an organization and the CSR initiatives. Making CSR works for Corporations and Public organizations means the concept needs to be clearly understood by practicing firms. There should be proper planning and policies guiding CSR operations in these organizations. The value of CSR initiatives needs to be shared across the organizational departments.

Although, CSR implementation in Tanzania is still at rudiment stage, corporations and public organizations have much to learn from organizations that are benefiting from CSR implantation. With regards to whether CSR implementation should be mandatory or voluntary, it is not the scope of this study, but future researchers in developing world can take this as an area for further studies.

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