CORPORATE SOCIAL RESPONSIBILITY AND MARKET SHARE OF COMMERCIAL BANKS IN TANZANIA: A CASE OF NATIONAL MICROFINANCE BANK (NMB)
CORPORATE SOCIAL RESPONSIBILITY AND MARKET SHARE OF COMMERCIAL BANKS IN TANZANIA: A CASE OF NATIONAL MICROFINANCE BANK (NMB)

By
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A Thesis/Dissertation Submitted in Partial Fulfillment of the Requirements for the Award of the Degree of Master of Science in Marketing Management (MSc-MKT) to Mzumbe University.

2013
CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation/ thesis; Corporate Social Responsibility and Market Share of Commercial Banks in Tanzania: A Case of National Microfinance Bank (NMB), in partial/ fulfillment of the requirements for award of the degree of Master of Science in Marketing Management (MSc-MKT) of Mzumbe University.

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To my darling spouse, Grace, her support, advice, prayers and tireless encouragement when doing my studies helped me a lot and strengthened me to the end.

Am indebted to Mr. Mwita, George W. and the entire team of NMB Mlimani City for their maximum tolerance and support during my studies; And also to my classmates for their spiritual and moral support which helped me in completing my paper, may God bless you all.
DEDICATION

I dedicate this thesis to my lovely daughter, Gloria, who makes me happy as I always think of her beautiful smile on her face. I also dedicate this to my wife Grace, and I thank her for the constant encouragement, prayer, support and love. This product is just but a small proof that every prayer whispered and every wish made was not futile.
Corporate Social Responsibility (CSR) is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders that responsible behavior leads to sustainable business success.

For the past three decades, business has been undergoing the most critical observation it has ever received from the public. As a result of many claims the businesses have been charged with having little concern for the consumer, caring for nothing about the deteriorating social order, having no concern of acceptable ethical behavior and indifference to the problems of minorities and the environmental concern.

CSR is still in early stages in Tanzania, largely due to obstacles faced by business. Efforts are being made by large companies and key players in the country to introduce CSR in the industry and to implement CSR initiatives. For a long time, different commercial banks have been engaging into corporate social responsibility in the location where they are found. The problem is; it is hard to find out whether they are driven by charity motives or business motives and if the later is involved to what extent do the banks benefit.

NMB as part of commercial banks in the Tanzanian society has been supporting the communities in so many ways. In average according to NMB annual reports (2010), NMB contributes to the society in the whole of Tanzania not less than TZS 500 million every year. Apart from charity motive to support the community, also NMB has a business motive of creating a positive image through Corporate Social Responsibility that’s why it is important that the support should bring the impacts intended to increase the market share of NMB bank.

This study presents the research on the effectiveness of corporate social responsibility and market share of commercial banks in Tanzania a case of National Microfinance Bank (NMB). The objectives of the study were to examine the effect of support to education on the market share of commercial banks, examine the impact of environmental conservation on the market share of commercial banks, to assess the influence of events like sports on market share of commercial banks, and
to investigate the role of corporate social responsibility policy on market share in NMB.

The study has investigated the relationship between corporate social responsibility and market share of commercial banks in Tanzania. Specifically, the study findings include:-

(i.) The effects of educational support to the market share of commercial banks
(ii.) Examination of the environmental conservation impact on the market share of commercial banks
(iii.) Assessment of the influence of events like sports on the market share of commercial banks in Tanzania
(iv.) Examination of CSR initiatives taken by NMB on its market share

The study used case study design to achieve its objectives. The target groups for the study were NMB Bank employees and Customers. The sample size for the study was 120 respondents and Data was collected by using questionnaire administration, in-depth interview, observations, and documentary review. The quantitative data collected were analyzed by using SPSS VERSION 19. The findings were presented in tables, figures and text to simplify interpretation and general appraisal of the phenomenon.

Based on the objectives of the study, the following conclusions were made. the findings revealed that support to education, events like sports and corporate social responsibility policy have bigger effect on market share of the commercial banks in Tanzania. However, the results show that environmental conservation has no impact on the market share of the commercial bank in Tanzania.

Generally the study objectives have been met. It is recommended that NMB Bank should increase other contribution to many families that are suffering from different chronic diseases and most of them are unable to access the needed care due to financial constraint.
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CHAPTER ONE

INTRODUCTION

1.1 Background to the Problem

The EU Green paper on Corporate Social Responsibility (CSR) defined the CRS as ‘a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders that responsible behavior leads to sustainable business success i.e. increase market share of the corporate. In more practical and managerial terms, Carroll (1991:42) stated that “the CSR firm should strive to make a profit, obey the law, be ethical, and be a good corporate citizen”.

For the past three decades, business has been undergoing the most critical observation it has ever received from the public. As a result of many claims the businesses have been charged with:-

(i.) Having little concern for the consumer

(ii.) Caring for nothing about the deteriorating social order

(iii.) Having no concern of acceptable ethical behavior

(iv.) Indifference to the problems of minorities and the environmental concern

Historically, there have been periods of high interest in CSR in the past, such as the late ‘60s and early ‘70s. At that time, business organizations such as The Conference Board in the U.S. and the Confederation of British Industry in the U.K. issued calls for business to give greater attention to CSR. What is different today is that these calls are more broadly expressed, more specific and more urgent. The calls are coming from business associations with the express purpose of promoting CSR (Caroll, 2006).

Corporate Social Responsibility (CSR) has never been more important on the corporate agenda than it is today, its historical origins and the uncertainty about the societal obligations of business notwithstanding. CSR has been one of the leading topics at recent World Economic Forum (WEF) meetings.
Similarly, the World Business Council for Sustainable Development (WBCSD), a coalition of 120 international companies, refers to the increasing calls for business to assume wider responsibilities in the social arena and claims that CSR “is firmly on the global policy agenda. Among the many other organizations that are advocating greater attention to CSR are the International Business Leaders Forum (IBLF), Business for Social Responsibility (BSR), and Business in the Community (BIC)”.

The literature on CSR in Africa is heavily dominated by South Africa, while other pockets of research exist for Côte D’Ivoire, Kenya, Nigeria, Tanzania, and Mali and Zambia. Very few papers are focused on industry sectors, with traditionally high impact sectors like agriculture, mining, and petrochemicals featuring most prominently. It was expected that other themes, such as stakeholder engagement, social responsibility, and health (including HIV/AIDS) will move up the agenda as CSR increasingly addresses these issues in an African context. In practice, however, it is likely that the economic and philanthropic aspects of CSR (rather than the legal and ethical responsibilities) will continue to dominate CSR conceptualization and practice in Africa.

In Tanzania as in many developing countries achieving the goal of reducing poverty requires effective partnerships that are able to address market failure, governance gap and institutional constrains, that are disadvantage to the country and society to access public goods. Such partnership is essential in reducing poverty in the society. CSR is still in early stages in Tanzania, largely due to obstacles faced by business. Efforts are being made by large companies and key players in the country to introduce CSR in the industry and to implement CSR initiatives.

CSR include charitable projects such as school renovation, irrigation schemes, community building, orphanage support, teaching and soil conservation work, sports events, disastrous relief.

As a corporate Citizen, NMB acknowledges that it must give due consideration to the environment in which it operates. NMB has been giving more than 500 Million
Tanzanian shillings each year in various projects such as sport, health care, education as well as relief services in both urban and rural (remote) areas during disastrous situations. (NMB Annual Report 2010)

Statistically, NMB has sponsored TZS 15,920,000 worth of sports gears to Kilimanjaro Stars ahead of CECAFA Challenge Tournament scheduled to start on Saturday 8th December 2007 in Tanzania. In 2008, NMB made donations totaling TZS 515 million. Each region benefited from at least TZS 10 million in financial support to no fewer than two projects. (NMB Annual Report 2008) In its 2009 programme NMB donated items worth more than TZS 500 million to beneficiaries in the specified sectors.

Also during the year 2009 and early 2010 NMB gave assistance to victims of various disasters in the country, including landslide in Same District, Kilosa floods in Morogoro Region and the Mbagala explosions in Dares Salaam. (NMB Annual Report 2009) In 2010 NMB reached out to almost all districts in both the Tanzanian mainland, Unguja and Pemba. They chose to focus on the education and health sectors, giving away donations worth a total of more than TZS 500 million. As well as education and health, NMB promote excellence through the promotion of sports in Tanzania and are cosponsors of the National Football Team, the Taifa Stars, through the Tanzania Football Federation. They also support grassroots soccer by procuring footballs for distribution to primary and secondary schools around Tanzania. (NMB Annual Report 2010)

Apart from supporting the community wellbeing in some specific areas such as education, health service, sports and others, NMB does so to create a positive image in the public hence support business growth and market share in the Tanzanian market.

1.2 Statement of the Problem

For a long time in Tanzania, different commercial banks have been engaging into corporate social responsibility in the location where they are found. The problem is,
it is hard to find out whether they are driven by charity motives or business motives and if the later is involved to what extent do the banks benefit.

NMB as part of commercial banks in the Tanzanian society has been supporting the communities in so many ways. In average according to NMB annual reports (2010), NMB contributes to the society in the whole of Tanzania not less than TZS 500 million every year. Apart from charity motive to support the community, also NMB has a business motive of creating a positive image through Corporate Social Responsibility that’s why it is important that the support should bring the impacts intended to increase the market share of NMB bank.

This study has investigated the relationship between corporate social responsibility and market share of commercial banks in Tanzania. Specifically, the study findings include:-

(i.) The effects of educational support to the market share of commercial banks
(ii.) Examination of the environmental conservation impact on the market share of commercial banks
(iii.) Assessment of the influence of events like sports on the market share of commercial banks in Tanzania
(iv.) Examination of CSR initiatives taken by NMB on its market share

1.3 Objectives of the Study

1.3.1 General Objective
The general objective of this study is to investigate the relationship between corporate social responsibility and market share of commercial banks in Tanzania.

1.3.2 Specific Objectives
(i.) To determine the effect of educational support on the market share of commercial banks
(ii.) To examine the impact of environmental conservation on the market share of commercial banks
(iii.) To assess the influence of events like sports on market share of commercial banks
(iv.) To investigate the role of corporate social responsibility policy on market share in NMB

1.4 Research Questions
(i.) To what extent does support to education affect market share of commercial banks?
(ii.) What are the impacts of environmental conservation to the market share of commercial banks?
(iii.) To what extent does events like sports influence market share of commercial banks?
(iv.) What is the role of corporate social responsibility policy on market share in NMB?

1.5 Significance of the Study
This study has various importances. First, the study will contribute to new knowledge for NMB and other banks to understand more the role and the impact of corporate social responsibility; and hence establish strategies to succeed through corporate social responsibility by either increasing or decreasing them depending on the result that would be obtained.

Secondly, the research findings will be used as a source of literature review for scholars who may conduct a similar or related study.

Furthermore, the study will help organizations to formulate best policies on corporate social responsibility that suit their environment and also enable them to solve problems related to corporate responsibilities.

1.6 Limitation of the Study
This study focuses on NMB staff and customers in Dar es Salaam only. This is due to researchers’ time limits and financial constraints. Time limit given by the University to complete the research is very short whereas data collection and data analysis needs
an ample time. Moreover, the researcher is faced by funding challenges due to his financial status.

The findings of this study will only be relevant to NMB and cannot be generalized to other banks countrywide unless, the case study and data to be used are altered.

1.7 Solution to the Study Limitations
Financial constraints were overcome by:-
(i.) The researcher finding sponsors to support him
(ii.) Doing a research at the working environment and hence reducing travelling costs

Time constraints were overcome by:-
Doing the research during office hours since the researcher was working at the same time taking masters’ degree course
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction
This chapter covers literature review about corporate social responsibility concepts basing on various backgrounds so as to better understand the study and provide ample findings. Mainly the chapter focuses on the wider meaning of corporate social responsibility, experiences, importance of the corporate social responsibility, key elements and benefits of the corporate social responsibility. The review based on books, websites, researches and recent research reports and other written documents such as manuscripts and journals.

Purchase intention can most readily be understood as the likelihood that a consumer intends to purchase a product. The concept of purchase intention is rooted in psychological and behavioral studies; therefore, the theory of reasoned action works well for identifying and understanding associations between CSR and purchase intentions for this study. Armitage and Christian (2004) explained that the theory of reasoned action holds that “behavior is solely dependent on personal agency (i.e., the formation of an intention), and that control over behavior (e.g., personal resources or environmental determinants of behavior) is relatively unimportant” (p. 6). In other words, the theory of reasoned action was designed to deal with relatively simple behaviors in which the prediction of behavior required only the formation of an intention.

Although the core of CSR is concerned with responsibilities beyond profit maximization, the relationship between an organizations’s involvement in socially responsible practices and its effects on the financial performance of organizations have yet to be conclusively determined. It is important to recognize the relationship between consumers’ purchase intentions and organizations’ involvement in socially responsible programs because often CSR is dismissed as merely another public relations tool. However, understanding the underlying reasons consumers make
purchases in relation to CSR would contribute to the understanding of CSR as a strategic management function overall. Furthermore, the literature addressing CSR in relation to an organization’s financial performance is conflicting; however, the majority of literature recognizes that a positive association exists between CSR and organizations’ financial performance. Auger et al. (2007) posited that,

“The literature on the importance of social product attributes is much less developed than the branding literature. Most research, both commercial and academic, on the importance of these attributes suggests that a growing number of consumers are taking ethical and social issues into account when purchasing products. To put this in numbers form, Harrison (2003) found that, “By 1996, 67 percent of adults were claiming to consider a company’s ethical stance when buying a product and 55 percent would not deal with a company if they disliked its ethics” (p. 129). More importantly, however, Harrison (2003) cited that in 2001, 80 percent of consumers surveyed in the UK believed that companies should attach at least as much importance to social responsibility as profitability when making business decisions. (p. 129) Despite evidence that consumers appear to feel so strongly about organizational involvement in socially responsible programs, Abouzeid and Weaver (1978) determined that social responsibility was not a dominant goal in any of the 220 companies they studied.

2.2 Understanding the Effect of Corporate Social Responsibility on Consumer Purchase Intention

Comparison to levels of pollution to show that lower levels of pollution had a positive association with better financial performance. Belkaoui (1976) also used pollution as a CSR topic of choice to show that stock returns were higher for firms that disclosed pollution control information in annual reports than for a control sample. In addition, Cotrill (1990) used Fortune magazine’s annual survey of corporate reputations in comparison to market share. Cotrill concluded a positive association existed between CSR and market share.
Roberts (1992) tested the stakeholder theory (McGuire et al., 1988) explained that, “Stakeholder theory suggests that a firm must satisfy not only stockholders and bondholders, but also those with less explicit, or implicit, claims” (p.854) using financial accounting measures to conclude, once again, that a positive association existed between CSR and financial performance. Finally, Cochran and Wood (1984) used accounting data across five years and compared it to three categories of socially responsible corporations (best, honorable mention, and worst) identified by Moscowitz (1975). Cochran and Wood concluded that with operating earnings/sales as the financial performance measure, firms with “best” rankings outperformed “honorable mention” firms, which, in turn, outperformed “worst” ranked firms. Therefore, a positive association between CSR and financial performance was recognized.

However, research and studies on the association between CSR and financial performance have not always revealed a positive association, and it is important to address some prominent studies that have concluded that the relationship between CSR and financial performance has been identified as negative or nonexistent. Vance (1975) used Moskowitz’s (1975) social responsibility index in comparison to a percentage change in stock prices. He concluded that a negative association existed between CSR and financial performance.

In today’s competitive market environment, corporate social responsibility (CSR) represents a high-profile notion that has strategic importance to many companies. According to a recent special report in BusinessWeek (Berner 2005), large companies disclosed substantial investments in CSR initiatives. Importantly, along with increasing media coverage of CSR issues, companies themselves are also taking direct and visible steps to communicate their CSR initiatives to various stakeholders, including consumers.

Motivated, in part, by this mounting importance of CSR in practice, several marketing studies have found that social responsibility programs have a significant influence on several customer-related outcomes (Bhattacharya and Sen 2004). More
specifically, on the basis of lab experiments, CSR is reported to affect, either directly or indirectly, consumer product responses (Brown 1998; Brown and Dacin 1997), customer–company identification (Sen and Bhattacharya 2001), customer donations to nonprofit organizations (Lichtenstein, Drumwright, and Bridgette 2004), and, more recently, customers’ product attitude (Berens, Van Riel, and Van Bruggen 2005).

2.3 Corporate Social Responsibility and Customer Satisfaction

Customer satisfaction is defined as an overall evaluation based on the customer’s total purchase and consumption experience with a good or service over time (Anderson, Fornell, and Mazvancheryl 2004; Fornell 1992). In the marketing literature, customer satisfaction has been recognized as an important part of corporate strategy (Fornell et al. 2006) and a key driver of firm long-term profitability and market value (Gruca and Rego 2005). Why should a firm’s CSR initiatives lead to greater customer satisfaction? At least three research streams point to such a link: First, both institutional theory (Scott 1987) and stakeholder theory (Maignan, Ferrell, and Ferrell 2005) suggest that a company’s actions appeal to the multidimensionality of the consumer as not only an economic being but also a member of a family, community, and country (Handelman and Arnold 1999). Building on this, Daub and Ergenzinger (2005) propose the term “generalized customer” to denote people who are not only customers who care about the consumption experience but also actual or potential members of various stakeholder groups that companies need to consider. Viewed in this way, such generalized customers are likely to be more satisfied by products and services that socially responsible firms (versus socially irresponsible counterparts) offer.

Second, a strong record of CSR creates a favorable context that positively boosts consumers’ evaluations of and attitude toward the firm (Brown and Dacin 1997; Gürhan-Canli and Batra 2004; Sen and Bhattacharya 2001). Specifically, recent works on customer–company identification (Bhattacharya and Sen 2003, 2004) suggest that CSR initiatives constitute a key element of corporate identity that can induce customers to identify (i.e., develop a sense of connection) with the company.
Indeed, Lichtenstein, Drumwright, and Bridgette (2004, p. 17) note that “a way that CSR initiatives create benefits for companies appears to be by increasing consumers’ identification with the corporation and support for the company.” Not surprisingly, identified customers are more likely to be satisfied with a firm’s offerings (e.g., Bhattacharya, Rao, and Glynn 1995; Bhattacharya and Sen 2003).

The third literature stream that enables us to relate CSR to customer satisfaction examines the antecedents of customer satisfaction. For example, perceived value is a key antecedent that has been empirically shown to promote customer satisfaction (Fornell et al. 1996; Mithas, Krishnan, and Fornell 2005b). In our context, all else being equal, customers likely derive better perceived value and, consequently, higher satisfaction from a product that is made by a socially responsible company (i.e., added value through good social causes). Furthermore, engaging in CSR may allow firms to understand their generalized customers better and thus improve their customer-specific knowledge (Sen and Bhattacharya 2001). Because improving customer knowledge represents another antecedent that has been found to enhance customer satisfaction (Jayachandran et al. 2005; Mithas, Krishnan, and Fornell 2005a), we believe that CSR initiatives may help promote customer satisfaction.

2.4 The Mediating Role of Customer Satisfaction

The existing marketing literature shows accumulating evidence for the influence of customer satisfaction on firm market value. For example, firms with satisfied customers tend to enjoy greater customer loyalty (e.g., Bolton and Drew 1991; Oliver 1980), positive word of mouth (Szymanski and Henard 2001), and customer’s willingness to pay premium prices (Homburg, Koschate, and Hoyer 2005), all of which can increase a firm’s market value. Indeed, several studies find that firms with higher levels of customer satisfaction are able to achieve higher levels of cash flows (e.g., Gruca and Rego 2005; Fornell 1992; Mittal et al. 2005) and less volatility of future cash flows, thus leading to superior market value (e.g., Anderson, Fornell, and Mazvancheryl 2004; Fornell et al. 2006; Srivastava, Shervani, and Fahey 1998).
In linking this evidence for the influence of customer satisfaction on firm market value with our first hypothesis on the influence of CSR on satisfaction, a mediating role of customer satisfaction in the CSR–performance linkage might logically be expected. That is, CSR affects customer satisfaction, which in turn affects market value. In other words, customer satisfaction represents the meditational pathway through which CSR actions affect firm market value. However, there may be “noncustomer routes” by which CSR affects market value. For example, both textbooks (e.g., Kotler and Lee 2004; Pava and Krausz 1996) and academic articles (e.g., Godfrey 2005; Margolis and Walsh 2003) have pointed to the impact of CSR on multiple stakeholders, such as employees and investors as well as consumers.

In particular, positive “moral capital” as a result of CSR (Godfrey 2005, p. 777) could directly affect market value by improving employee morale and productivity. In addition, CSR creates public goodwill (Houston and Johnson 2000; McGuire, Sundgren, and Schneeweis 1988), which provides an “insurance-like” protection to shareholder wealth. As a consequence, putting the pieces together, we predict a partially mediating role of customer satisfaction on the impact of CSR on market value.

2.5 Theoretical Concepts
Friedman believed that "there is one and only one social responsibility of business - to use its resources and engage in activities designed to increase its profits" (Friedman, 1970). He contends that executives and managers of a business are responsible to the stockholders and that social responsibility is an individual desire. As such, the shareholder model asserts executives and managers of any business are agents for the organization and do not have the authority to expend money for social responsibility. The model consists of corporate governance which is the oversight of top management by a board of directors (Schermerhorn, 2010).
Friedman (1970) also stated that in practice the principle of social responsibility is quite often a mask for actions that are justified on other grounds rather than a reason for those actions. His argument was that the cloak of corporate charitable contributions was a public relations ploy by the stockholders to increase their corporation's desirability for attracting customers, employees and community support, as well as reducing corporate taxes. This may be true, but would not the stakeholders benefit from the benevolence of the corporation? The long-term goal is to increase the market share of the business and increase profits. Good public relations and reputation is good strategic planning to increase the businesses bottom-line which is profits.

Although, it is difficult for one to agree that CSR is a mask as stated by Freidman, Godfrey, Hatch and Hansen (2010) contend from their empirical study that the results of CSR have both tangible and intangible effects on the corporation. They believe CSR manifests in improved reputation, brand equity, better employee relations and the overall quality of management which are drivers for financial return. Kacperczyk (2009) contends that current trends have led to shareholders diverting attention and powers away from managers who use corporate resources to pursue their interests to include social programs. Thus, shareholders have the power of voting on disbursement of resources. In addition, the requirement of terms on boards by executives tends to minimize the power gained by managers and executives.

2.5.1 Stakeholder Perspective
The assertion of Longenecker, Moore, Petty and Palich (2006) is that social responsibility is the price a business pays to operate independently in a free economy. This price is their contributions to the community in the form of tax revenue, charitable contributions, supporting community schools, the arts, and local programs. "They usually benefit from increased goodwill as a result" (Longenecker et al, 2006,) Schermerhorn (2010) asserts that a commitment to social responsibility by a corporation will double the bottom line of financial performance and social impact and in some instances the bottom line of economic, social and environmental
performance is tripled (Brynes, 2007; Porter & Kramer, 2006). Hypothetically, good stewards of resources, and efficient and effective management results in increased profits.

Chang’s (2010) study indicates and supports the argument presented by Longenecker, Moore, Petty, Palich and Schermerhorn. More credence is developed when Chang (2010) stated. Firms face a trade-off between social responsibility and financial performance due to increased costs from socially responsible actions which place them at an economic disadvantage compared to other firms with less social responsibility. A contrasting view is that the explicit costs of corporate social responsibility are minimal, and that firms may actually benefit from socially responsible actions in terms of employee morale and productivity and the cost of such actions may be offset by a reduction in other costs.

Although he indicated that further research and study are needed to substantiate the theoretical concepts, he proposed that a CSR program would enhance corporate financial performance, create a competitive advantage, and is a strategic investment with potential long-term sustainable advantages. He contends corporations with a productive and proactive CSR program are better equipped to select, plan, and manage to sustain competitiveness.

On the subject of the stakeholder model, Sainthouse (2009) contends that according to this model, shareholders, afforded sole importance by Friedman, are just one group of stakeholders whose interest corporate management must consider and address. Increasing profits is just one of many different interests that must be considered. The interests and potential impact of shareholders on the future of the company may be very obvious, but the other groups can also have influence in different ways. An organization that damages the local environment can in turn suffer from a lack of goodwill in the local community, and employee morale will in turn be damaged; each factor ultimately affecting the company. Consequently, some of the present-day theorists and organizations reject the theory as proposed by Friedman to include Sainhouse. The contention is that organizations have to maintain
a balance of social awareness, responsibilities, and duty while maximizing profits. The model for stakeholders encompasses not only stockholders, but managers, employees, consumers, the community, suppliers, the economy and the environment. Dobos (2010) subscribes to the libertarianism philosophy, whereas public opinion is a primary factor to social responsibility by companies. Thus, it is hypothesized that factors such as company size, public profile, and brand exposure and visibility are key determinants of the level of managerial awareness of and responsiveness to public opinion. This result is a balance of earning profits, profitability, and social responsibility.

Atherton, Blodgett, and Atherton (2011) state, "We propose that adherence to a new understanding and rule of fiduciary principles goes hand in hand with CSR and profit maximization and is perhaps the missing link in today's corporate governance. Thus, the participation in CSR and maintaining a positive trust will result in profit maximization.

Thomas M. Jones (1980) contends that "Corporate social responsibility is the notion that corporations have an obligation to constituent groups in society other than stockholders and beyond that prescribed by law and union contract. Two facets of this definition are critical. First, the obligation must be voluntarily adopted; behavior influenced by the coercive forces of law or union contract is not voluntary. Second, the obligation is a broad one, extending beyond the traditional duty to shareholders to other societal groups such as customers, employees, suppliers, and neighboring communities. Thus, businesses should demonstrate citizenship in the community. Their contributions show community support and they usually benefit from increased goodwill as a result.

Fairfax (2011) supports what she terms as a changing in the landscape. With the SEC new rulings and provisions as well as the Enron and AIG scandals, the power of boards, executives and managers has been stripped by required proxy voting, recommendations of board members by shareholders and staggered boards. Fairfax stated in her article, "This change has a significant impact on shareholders' ability to
influence corporate affairs. Indeed, the concentration of institutional ownership has the potential to overcome the collective-action problems posed by the traditional pool of dispersed retail investors. As a result, that ownership enhances institutional investors' ability to communicate with the board and with one another, thereby enhancing their potential ability to influence corporate affairs. To be sure, other factors may limit this ability. Nevertheless, the rise of the institutional investor opens the door for shareholders to engage in greater activism and ultimately exercise greater power over the corporation.

2.6 Corporate Social Responsibility

According to Lombardo (2009), "CSR has no single commonly accepted definition. The concept is a fuzzy one with unclear boundaries. It generally refers to business practices based on ethical values, with respect for people, communities, and the environment" (. Longenecker, Moore, Petty and Palich (2006) contend CSR encompasses varying degrees of conscientious and trustworthy actions of ethical obligations to customers, employees and the community. The meaning could be condensed to a concise articulation of treating customers and employees fairly. In respect to the community this may be interpreted as environmentalism, minority contracting, and economic development, volunteering in community events, philanthropy or any peripheral social issue.

Jones and George (2006) argue that social responsibility revolves around the ethics of any organization. The internal stakeholders act ethically internally and externally to protect the reputation of the company and earn a profit for the stockholders. In addition, the organization's ethics revolve around societal, occupational and individual ethical standards and values. Godkin and Valentine (2009) stated "business leaders should consider using social performance as a mechanism for creating a corporate environment that encourages ethical reasoning, and that further complements the strategic role of human resource ethics Jones and George (2006) argue that social responsibility revolves around the ethics of any organization. The internal stakeholders act ethically internally and externally to protect the reputation of the company and earn a profit for the stockholders. In addition, the organization's
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David Boddy defines corporate responsibility as “the awareness, acceptance, management implications and effects of all corporate decision making”, (Boddy, 2005; 144). Put simply, corporate responsibility gives a business or organization a conscience to conduct themselves in the best interests of all those they interact with, where possible. This can be recognized in the form of “economic, legal, ethical, environmental and discretionary responsibilities” In conclusion, the meaning of corporate social responsibility in the 1970s was associated with the excluded social costs of production and the hidden costs occurred by society as a result of business activities including:

Industrial pollution and toxic waste, Racial and sexual discrimination, Political influence of powerful corporations, Invasion of employees’ privacy, Deceptive information in marketing, Product safety; The price of technology, effects of pesticides, aerosols and nuclear power, Increasing concentration of wealth and income in fewer hands, Business crime (Nader et al, 1974).

2.6.1 Market Share

Any business must experience two periods, which is short run and long run. In the long run a business must make profit to survive. Nevertheless, many companies initially set low prices for new products; they are willing to accept minimal profits even losses to get buyers to try products. In other words they use pricing to establish market share. Market share is a company’s percentage of the total market sales for a specific product (Griffin et al 2008). Now for the case of commercial banks they use corporate social responsibility as a tool which encourages the community to build their trust towards such banks.
The global market has created a complex political environment for corporations. On the one hand, they seem less beholden to state control, but on the other hand they have become more concerned with brand, image, and reputation as assets used to gain customer loyalty, stakeholder support, and regulatory freedom (Klein 1999). Their reliance on reputation as an asset has meant that they have become more committed to impression management tactics, like philanthropic activity and improving firm environmental standards, in order gain the approval of the stakeholders that matter most.

Having a good reputation has numerous positive consequences for firms. In our study, Good Firms, Good Targets: The Relationship between Corporate Social Responsibility, Reputation, and Activist Targeting, which was recently made publicly available on SSRN, we suggest that it also creates certain liabilities. Belonging to the top tier of most reputable firms and engaging in reputation-building actions, like announcing pro-social activities, exposes a firm to activist attention, making them more likely targets of boycotts. Activists, ever eager for media coverage and the agenda-setting influence attached to it, use firms’ reputation-seeking as a weapon against the firm.

By targeting firms that are already committed to reputation-building, they put those firms in a position where they must react by conceding or by doing more CSR activities if they wish to maintain their lofty status in the field. Our findings suggest that scholars who have asserted that CSR and other reputation-building activities have insurance-like properties that protect a firm from future activist challenges may be wrong. Rather than serving as a form of insurance against future criticism, CSR may in fact just make firms more attractive targets. Insofar as activists are eager to target companies that the media and other stakeholders will notice, companies that built reputations for being socially conscious are certainly on their radar. Such companies offer a visible stage for activists.
The irony of our finding is that firms believe reputations will protect them, and in a sense they are correct in this assessment. Past research suggests that boycotted firms are initially protected from negative investor reaction (King 2011). Investors seem to believe that high reputation firms will be able to better deal with the consequences of the boycott than firms with weaker reputations. But a firm’s positive reputation also creates critical liabilities. Firms with positive reputations also receive more negative media attention following a boycott, and for every additional day of boycott media coverage the corporate target experiences greater damage to the market value. The implication of this is that firms with a positive reputation have a greater incentive to quickly concede to activists’ demands. Failing to do so can damage their reputation and lead to a decline in their value.

Firms that become boycott targets are also more likely to increase the amount of prosocial activities they do in the public (McDonnell and King, working paper). Fearing the reputational threat represented by the boycott, they do more philanthropy, more community outreach, and engage in other CSR activities, hoping that their audiences will give more weight to these positive actions than they will to the negative claims made by boycotters. The results of this study suggest, however, that by increasing the amount of prosaically activities they do, these firms also expose themselves to the threat of future activist targeting.

The implication of these various studies is that the ever-greater focus on reputation-building only makes firms more vulnerable to activist attacks. Reputation, in this sense, has become an important liability for firms. Once a firm develops a positive reputation, they are obligated to maintain it. From the activist perspective, there is much to gain by forcing firms to defend their reputations. Not only do they generate more attention to their cause by targeting high reputation firms (King 2011), but the net social impact is also positive. As these firms do more prosocial activities to renovate their image after the boycott, they subsequently dedicate more resources and strategic focus on CSR. A virtuous circle, at least from the perspective of the activist, follows. More CSR practices leads to an improved (or at least maintained) reputation, which causes the firm to continue to be a target of activism, the
consequence of which is more commitment to CSR. From the point of view of the company, however, having a good reputation can be a “double edged sword” or at least a potential liability when facing activists who seek the public limelight (Rhee and Haunschild 2006).

Of course, another implication of this pattern is that activist focus is almost exclusively on the upper tier of reputable firms. Corporations that are in the lower tier of the reputation index or that are not ranked at all receive considerable less attention from activists, and therefore those same firms have fewer incentives to engage in prosocial activities and may fly under the radar of activists no matter how irresponsible their practices are. Inasmuch as they are ignored by social movement activists, they have fewer reasons to engage in CSR activities and are freer to deviate from norms of moral and social appropriateness. Thus, even as prestigious firms are doing their best to improve their standards and become more socially conscious citizens, firms that fly under-the-radar because of their weak reputations are able to get away with irresponsible behavior. The net social impact of activists ignoring these less reputable firms is almost surely negative.

Future research ought to focus on the behaviors of firms that are not targeted by activists, assessing the consequences of failing to engage these firms. In addition, we need to develop a better understanding of how firms and activists negotiate settlements, such as those observed by Barley (2007), in which activist targeting is curtailed in favor of setting up certification systems or active partnerships between firms and social movement groups. Our research suggests that firms with positive reputations have good reasons to set up such partnerships, inasmuch as it would allow them to escape future activist targeting while also benefiting from the glow of prosocial actions.

2.6.2 Milton Friedman's Theory on Corporate Social Responsibility

Milton Friedman's statement that a business's social responsibility lies in making profit has shown a controversial point of view in modern business. Some people believe in Friedman's ideas while others do not. Is it possible that Friedman can be
both right and wrong? In business, there are different situations that require different perspectives and methods of approach. On one hand, it is correct to say that the main focus of a business should be to make profit. Without profit, a business cannot survive. In a way, Friedman's theory does promote social responsibility to society. The increase of profits in a company benefits the economy which benefits the citizens of that economy. Lenkowsky, L. (2006)

Friedman also believed that social responsibility should not be forced by the government. While most economists agree with this notion, many believe that he may have gone to an extreme by saying that it is the company's only social responsibility. Companies can still maintain their successful path while pursuing several different methods of social responsibility simultaneously. Responsibility to stakeholders can still be achieved while helping to strengthen the community. For example, companies can conduct research to provide a safer product to consumers. Lenkowsky, L. (2006).

2.6.3 Alternative Perspective to Milton Friedman's Theory

According to Bartkowiak, G. (2006) there are many ways that an organization can be socially responsible. There are the three main focuses of a company wanting to promote social responsibility are the environment, the community, and their employees.

(i.) Environmental Social Responsibility

First, let's discuss the effects of social responsibility on the environment. We live in a world that is moving at unbelievable speeds. We are always looking for the fastest and most efficient ways to complete tasks. Unfortunately, some of the easiest paths are the most troublesome. It is important for organizations to be conscious of the environment around them.

Simple steps to environmental social responsibility can be taken such as cleaner smoke stacks or cautious examination of wastes dumped into water supplies. Most can be completed by simply following laws established by the government. Bartkowiak, G. (2006).
(ii.) Social Responsibility in the Community
Next is responsibility to the community. The companies that are aware of the space that they share with the local community can become a great ally to its citizens. Companies that are planning new developments should take into consideration the effect that it will have on local economic and social patterns. Other ways that a business can promote social responsibility in the community are by participating in local charities and benefits. By helping their neighbors, they will gain the support of the community and potential customers. It can be very difficult for an organization to survive when it is opposed by those around it. Bartkowiak, G. (2006)

(iii.) Social Responsibility Supports Healthy Employee Relations.
The last and most important is social responsibility to employees. Employers that promote increased benefits and better working conditions have what it takes to become a great company. I believe that if companies show their employees that they care about them the employees will care more about the company. This begins a cycle that will work around-and-around benefiting all who are involved. Also, bad relations with employees will eventually begin to show in the community.

Sure, social responsibility is not a forced issue and no one is there to make companies participate. But by being socially responsible, they enable themselves to gain support of the community, customer respect, and loyalty of employees. Large organizations, especially, have the means to make a great difference in our world. I think they should do so not because they should but because they can.

2.7 Theories on the Study

2.7.1 The Stakeholder Theory
The central position of managerial capitalism has been challenged by the stakeholder theory of Modern Corporation. The stakeholder theory has made its appearance in the early eighties, and the pioneers of the theory have concentrated their arguments on three main aspects of the theory: a descriptive/empirical, an instrumental and a normative aspect. Although in the management literature, the stakeholder theory
corresponds to all three approaches, the discussion in the following paragraphs concentrates on the normative aspect as the underpinning basis of the stakeholder theory of Modern Corporation.

The stakeholder theory calls for a revitalization of the concept of managerial capitalism by replacing the notion that managers have a duty to stockholders with the concept that manager bear a fiduciary relationship to stakeholders. The stakeholder theory concentrates its focus on a particular question: “For whose benefit and at whose expense should the firm be managed”? To seek answers to this question, the pioneers of the theory define the stakeholders as all these groups that have a stake in, or a claim on the firm, including owners, management, suppliers, customers, employees and the local community (Evan, Freeman, 1988). Drawing on Kantian philosophy, they argue that each of these stakeholders’ groups has a right not to be treated as a means to some end, and therefore must participate in determining the future direction of the firm in which they have a stake.

To be specific, Evan and Freeman (1988) use two themes which represent two branches of Kantian philosophy and moral theory to justify the reasoning of the central argument of stakeholder theory. The first theme is concerned with the rights and duties of the owners (and their agents) of private property, and the effects of this property on the rights of others (Evan, Freeman, 1988, p148). The second theme is concerned with the consequences of managerial capitalism and the effects of the modern corporation on the welfare of others.

The view of the corporation as having no right to decide how things are going to be for its constituents is challenged by the position that “if the modern corporation requires treating others as means to an end, then these others must agree on, and hence participate (or chose not to participate) in, the decisions to be used as such” (Evan, Freeman, 1988, p148). Thus, property rights are legitimate but not absolute, particularly when they conflict with rights of the others. As the authors advocate “the property rights are not a license to ignore Kant’s principle of respect for a person”.

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In terms of corporate externalities and harmful actions, the stakeholder theory maintains that persons are responsible for the consequences of their decisions and activities, and hence any theory that seeks to justify the corporate form “must be based at least partially on the idea that the corporation and its managers as moral agents can be the cause of and can be held accountable for their actions” (Hoffman, Frederick, 1998, p148).

Thus, a stakeholder theory needs to be consistent with two principles, namely the principle of corporate rights (PCR) and the principle of corporate effects (PCE). According to the principle of corporate rights, corporation and managers may not violate the legitimate rights of the firm’s constituents to determine their own future. The principle of corporate effects retains that the corporation and its managers are responsible for the effects of their actions on others. Foremost, the acceptance of these two principles facilitates the development of two further ‘stakeholder management principles’ which serve as the foundation for articulating the stakeholder theory: the ‘principle of corporate legitimacy’ and the ‘stakeholder fiduciary principle’. The ‘principle of corporate legitimacy’ redefines the purpose of the firm in line with the principles of corporate rights and effects. The ‘stakeholder fiduciary principle’ defines the duty of management to recognize the claims of the stakeholders. Bitchta C. (2003).

2.8 Corporate Social Responsibility and Market Share

There are different perceptions of the managers on the effect of CSR on market share. Some of them believe that socially responsible corporate actions have an effect on market share. Specifically, of the nine issues considered corporate actions related to environmental pollution, corporate philanthropy, and disclosure of social information were perceived by managers to have the greatest effect on market share (Crystal, 1993).

Bragdon and Marlin (1972) found that companies within the pulp and paper industry that had the best record on pollution control and the environment had a large market share and were the most profitable. Some sectors in the economy are given priority in
providing CSR than others. In Bangladesh health and education sectors have occupied the highest position in majority of the commercial banks. And therefore the findings have shown that CSR are positively related to market share as banks which support more to the community have a more positive image to the public hence get support from public who are also the customers. (Azad, 2010)

Some firms perceive that goodwill as being good to customers by participating in socially responsible activities which at the end of the day they expect to get a lot of customers who at the end of the day translate into increased profit of such organization hence large market share (Siegel & Vitaliano, 2007).

Naser (2009) did a survey in Saudi Arabia on the Perceptions of Corporate Social Responsibility across the kingdom of Saudi Arabia. The results were as follows; Corporate Social Responsibility has positive effect on reputation, good image, trust and loyalty and hence increases the market share. Therefore by embracing corporate social responsibility there can be contribution to long-term growth and development of the country. Also Rivers (2009), conducted a research on Thailand’s commercial bank’s role in financing dams and found that commercial banks in Thailand have some form of corporate Governance and Corporate social Responsibility which include fair treatment of stakeholders including customers, investors, business partners and wider society and the environment.

Some authors like Kay (1993) Lawson (1990), argue that the basic responsibility of a firm is to balance the interests of all its stakeholders, which means, the interest of all parties which are affected by its operations. A commercial bank’s stakeholders comprise not only its owners, managers and other employees but also other parties such as customers, creditors, suppliers, trade unions and communities in which the bank operates. The two authors support the idea by

Milton Friedman (1970) who is against commercial banks giving away donations for the expectation that they will increase market share. According to Friedman money in the banks belongs to the shareholders and therefore they should be given to them
to decide who they want to give. Mohr et al. (2001) also believed that consumer must be aware of CSR actions in order to have positive impact on purchase intentions, but consumers usually found it difficult to obtain information about the CSR actions of corporations. McWilliams and Siegel (2000) stressed that awareness level of consumer is crucial in order to expect any positive attitude from consumer.

Maigna’s (2001) emphasized for research on investigating the extent of awareness of CSR actions. Increased promotion of CSR actions may lead to more consumer awareness, which in turn might produce positive results for the corporation. There are some considerations which tend to limit the indiscriminate assumption of social responsibilities by a commercial bank to small business. For instance the commercial bank’s law may be clear that the bank’s assets do not belong to the shareholders, but to the bank itself (Lawson, 1990).

Neshamba (1997) examined the social responsibility of banks and other financial institutions towards small business in Kenya and Tanzania found that the main responsibility of the commercial banks is to balance the interests of their stakeholders while at the same time discharging their primary responsibilities. Many companies base their socially responsible actions on the belief that these actions provide or will provide some benefit to the company, a strategy referred to as enlightened self-interest.

Therefore it has been noted that there is a close relation between corporate responsibility and market share. The higher the CSR the higher the confidence people have on that particular bank so people can be easily convinced to bank with that bank hence increasing the market share. However there is gap in the way CSR is offered by many banks in relation to market share as there is a tendency to just return profit in areas where they are operating but in order to have a strong impact in spreading its market share in other areas banks should start offer CSR to other areas apart from their locations.
2.9 Relationship between Corporate Responsibility and Profit

Siegel and Vitaliano (2007) provide a good review that corporate social responsibility was linked to profit maximization by modeling firm’s products to contain social attributes competing for socially responsible customers. In other words, firms are responding to a demand for corporate social Responsibility other studies highlight the role of asymmetric information in particular in exercising corporate social Responsibility firms can signal to consumers that in being good perhaps even reliable and honest they will produce better products.

Social responsibility in the supply chain is a rapidly developing field, which is attracting growing attention and becoming more and more important due to the increasing globalization of corporate activity. Outsourcing and major changes in the international division of labor happens at an accelerating pace. This means that more factor inputs in the public and private sectors, as well as finished goods on the market, come from countries where the authorities do not provide adequate control of working conditions and protection of workers’ rights.

It is very clear that companies including banks give out something out of their profit. It is important that they get profit and through that they share with the community. In a normal assumption it can be said that the higher the profit, the higher the corporate social responsibility donation but this is not always true because banks and other companies accumulates a lot of profit and only give back a tiny amount to the societies with specific reference to education and health sectors.

Therefore there is a gap between profit obtained and contribution back to the community. This gap should be addressed by giving more to the community at least there should be a well-established company policy on percentage for each company to contribute in the society and should be addressed to forgotten sectors such as environmental conservation.
2.10 Social Responsibility and Competitive Advantage

Social responsibility has become a strong and irreversible part of corporate actions. When managed effectively, CSR programs and projects can create significant benefits in terms of reputation and returns as well as the motivation and loyalty of employees. CSR can also contribute toward strengthening valuable partnerships. Husted and Allen (2001) state that CSR strategies can create competitive advantages if used properly, pointing out that there is a positive association between strategic social responsibility actions and competitive advantage.

Ashley (2002) states that CSR is currently a source of competitive advantage that companies should employ in the quest for greater competitiveness and better results. According to Barney (1991), the creation of competitive advantage occurs through the implementation of strategies that add value and create benefits for one company when another company fails to do so.

Competitive advantage can be achieved through internal resources or a group of internal resources from the firm. However, to obtain this advantage, the resources must be first valuable, exploring the opportunities and neutralizing threats to the environment of the firm; second rare, not being present in any rival or potential rival company; third inimitable, so that others cannot imitate them; and fourth non-substitutable, meaning they do not have strategic equivalents (Barney, 1991).

In the CSR field, the emphasis on internal resources is expressed in a large number of studies. We can start from the assumption that CSR can be considered an internal resource of the firm. Applying the definitions developed by Barney (1991), in order to create competitive advantage, CSR actions should be valuable, rare, inimitable and non-substitutable. We can also say that CSR is a group of resources, as it encompasses different dimensions that can be considered internal resources, such as corporation values, business ethics, the relationship with stakeholders (Donaldson & Preston, 1995; Freeman, 1984), social projects, corporate reputation, etc. Business managers face two other dimensions related to strategic CSR: centrality and specificity (Burke & Logsdon, 1996). Centrality is high as far as CSR actions are
coupled with corporate mission. Specificity is high when CSR action imitability faces barriers that are difficult to overcome. On the other hand, centrality is low when CSR actions are far from corporation core activities and specificity is low when these actions are easily replicated. A company can create social projects connected to its core business that are valuable, rare and inimitable, thereby creating competitive advantage (ibid).

Most of companies in developing countries do not consider using CSR in creating competitive advantage. Now it is the right time for companies to use its internal factors such as the strength of the company to engage in CSR activities and take it against its competitors who are weak in CSR to create competitive advantage. Therefore companies should include CSR in their strategic plan for it to be part of company’s activities.

2.11 Corporate Social Responsibility Policy – A Case of UK

A government role on CSR is worth examining given the size of the corporate sector in Britain. There are approximately 1.5m companies registered on the Companies House register, of which around 15,000 are public companies. Of those, about 2,700 are listed or quoted public companies. The vast majority of companies are private and around ninety eight per cent of these have five or fewer shareholders. In total, in Britain, companies’ activities constitute almost eighty per cent of the country’s economic activity measured by turnover. Companies also provide 60% of all employment. Bitchta C. (2003).

In Britain, a mixture of legislation, regulation and voluntarism has provided the framework for defining the rights and responsibilities of the firm and Legislation centers mostly around the Companies Act, regulation is enforced by agencies such as Securities and Investments Board and voluntarism is expressed through codes developed by the industry and under government encouragement like the City Code of Take Overs and Mergers and many others. As regards the company’s constitution, shareholders have shares in the nominal capital of the company and this entitles them to a proportion of the distributed profits of the company. Directors are responsible
for the good governance of the company. The obligations of directors are spelt out in legislation or defined by precedent. Traditionally, a director’s liabilities for damages are unlimited but the current trend in UK law, as it will be discussed later, is towards extending the personal liability exposure of executive and non-executive directors of the firm. The company directors act in concert through the board of directors (Cannon, 1994). The following section offers a detailed description and analysis of the development of the legal company framework in Britain.

2.11.1 British Company Law and Corporate Governance
With regard to the evolution of British company law, it is suggested that it has gradually established legal responsibilities to safeguard particular relationships over time, by prescribing particular standards or patterns of behavior e.g., bankruptcy law to protect investors and contract law to protect business from other business, and increasingly, the protection of stakeholder interests through employment, consumer, environmental law etc. Under the new company law review, however, the right to limited liability remains unchanged, but it will be accompanied by new measures for increased accountability.

To be in a position to protect those affected by a company’s activities (e.g., shareholders, creditors, employees) and to prevent abuse, the law contains new safeguards. Among these are the requirements on companies to make annual returns; to prepare and file accounts publicly in accordance with prescribed standards; to have an annual independent audit (with some exceptions for small companies) and not to make certain changes to a company’s capital structure without shareholders’ consent. Moreover, some requirements are aimed at protecting companies themselves, for example provisions enabling companies to require the notification to them of shareholdings exceeding certain limits. Bitchta C. (2003).

There are certain issues in the company law review which relate to corporate governance. For the first time, the company law places duties on company directors. It is proposed that they should be made explicit in legislation and in a form that draws specific attention to the importance to business success of fostering
relationships with employees, moderating adverse environmental and community impact and protecting company’s reputation. The counterpart to these proposals is disclosure of information on performance in each of these areas where material. The intention is that the obligation to disclose will increase company sensitivity and strengthen the position of interested parties to put pressure on companies to improve performance (Donnelly et al, 2000).

With regard to remuneration, the government has taken the view that the private sector initiatives have not been successful and it seems ready to proceed with legislative intervention. In terms of company monitoring issues the government has also launched an independent review to examine the role and effectiveness of NEDs ie, whether the monitoring role of nonexecutives is effectively carried out and whether boards have enough independent NEDs to be able to discipline management. In conclusion, the British approach regarding company responsibility and accountability arising out of the company law review is that the company must retain overall responsibility to shareholders but this should be understood in a rather ‘inclusive way’. As it will be argued in the next chapter, the Labor government has begun to apply economic performance criteria to determine whether the economic performance of the firm might be improved by broadening the range of groups whose interests directors must consider in the decision making of the firm. Bitchta C. (2003)

2.11.2 Current UK Political Views on CSR
Following the discussion in about the role of government in CSR, it appears that there it might be a place for it but the question remains open about the nature of government role in CSR: should it be interventionist, or complementary to industries’ initiated activities? It is the intention of the following sections to discuss the present positions shared by the UK government and the European Union in terms of promoting CSR at national and European levels. Bitchta C. (2003).
2.11.3 The View and Role of UK Government in Relation to CSR.

According to Bitchta C. (2003) the Labour government has defined CSR as ‘behaviors that goes beyond basic legal requirements’ and it has developed three pillars to promote CSR practices amongst the business sector:

An organization should recognize that its activities have a wider impact on the society it operates, in response, the organization should take account of the economic, social, and environmental and human rights impact of the activities across the world and the organization should seek to achieve benefits by working in partnership with other groups and organizations.

The prevailing view of this government in relation to CSR considers that in real terms, CSR must have some economic foundations and therefore assist not compromise organizational performance. By doing so, organizations preserve the interests of their shareholders but also explore new means of enhancing economic performance that in many ways could go beyond and exceed legal requirements. Two reasons account for this view supported by the UK government.

First, there are two competing perspectives in defining and practicing CSR, one derived from the stakeholder theory of the firm (see earlier pages), and another one which promotes the ‘business case’. The approach that this government has taken in relation to CSR is the widely cited ‘business case’ for corporate social responsibility. The government uses economic performance criteria to determine whether the economic performance of the firm can be improved by broadening the range of groups whose interests the directors of a firm should consider during the decision-making process. The government therefore sees the economic case for departing from an exclusive shareholder focus by developing and monitoring sustainable relationships with key stakeholders such as employees, suppliers and local communities. Bitchta C. (2003)
2.12 Tanzanian Status on Corporate Social Responsibility

According to Kihiyo, B (2007) under Tanzania Consumer Advocacy Society which had conducted a Consumer Survey that revealed the level of consumer awareness in Tanzania particularly on consumers’ rights, perception and attitudes with respect to businesses’ accountability and responsiveness to consumers’ needs and interests in Tanzania. This survey was conducted in five regions in Tanzania Mainland - Dar es Salaam, Kilimanjaro, Arusha, Coastal Region, and Mwanza between 1st February 2007 and 27th February 2007. There is very low Corporate Social Responsibility (CSR) in Tanzania Consumer survey revealed. Corporate Social Responsibility can be defined as the continuing commitment by business to behave ethically responsive and accountable to consumers’ needs and interests. This concept generally entails about how companies manage the business processes to produce an overall positive impact on society. Kihiyo, B (2007)

About 3000 Respondents were asked to mention five unfair business practices they experienced for the past 12 months. The information received was of diverse in nature; therefore the report here is not sequentially arranged, what appears down below is randomly picked of the most common severe forms of consumer rights violation by businesses found in Tanzania market;

The survey revealed that there is poor public transportation system which is characterized by: congestion and delays; uncomfortable travelling conditions; poor vehicle condition; poor customer service; increased road accidents.

Moreover the survey revealed that there is wrong over estimated, inflated bills from Tanzania National Electric Supply Company Limited (TANESCO), and water bodies. The two are giving unreliable services, and their services are characterized with frequent service breakdown in most case without notice, unregulated electric frequency, un-guaranteed water supply, poor quality of water which leads to the spread of water borne diseases like typhoid and cholera. And in most cases there is none or slow action towards genuine complaints- over inflated bills, poor products, professional misconduct and delay on installation of service on water and power.
On the other hand; the market is full of cheating on weights and measurements; there is a lot of under-weights of goods from retail shops, butchery, hardware-cement etc and also there is poor calibration and adulteration for food like cow milk and gasoline at fuel station. Presence of counterfeit goods which are not durable, poor in quality, unsafe, false labeling and changing of expiry date on products- food, cosmetics and medicine is on the raise. It is believed that 40% of the products in Tanzania markets are counterfeits.

Other notified forms of unethical business conducts such are:- claiming that products are new while they are not- like some of mobile phones on sale in most of the shops in Tanzania. Businesses are claiming that a product comes with warranty while it does not. There is also poor and unhygienic food handling; also failure of some of suppliers to honor contracts is common unethical business practice in Tanzania market.

Some business are making false claims about a product for instance claiming that goods are from a certain country say England or Japan while they are not most; commonly goods like;- electrical items, domestic appliances and clothes, it appears that these goods are pre-packed. Claiming that the product prices have been discounted while they have not, claiming that there are enough stock of goods while it’s not hence creating an artificial shortage all of these unethical business conducts were identified during this survey. Worse still some business are representing that a service, part, repair or replacement is needed or that a service has been provided, a part has been installed, a repair has been made or a replacement has been provided- automobile repair. Saying that there are facilities where a consumer can go to get his items repaired while there is none. This is cheating and it is against the law.

Charging a price for goods or services that is substantially higher than an estimate provided to the consumer, except where the consumer has expressly agreed to the higher price in advance this is happening especially to the transport operators. Kihiyo, B (2007). The survey revealed that in some cases human and animal drugs
dispensed and managed with unprofessional personnel this is very dangerous to the health of consumers.

The survey also revealed that there are unjustifiable excessive high prices of goods and services in Tanzania market for instance early this year consumers have experienced a sudden hike in the prices of petrol and petroleum products announced by major petroleum; it appears dealers of oil companies are forming a cartel to fix prices in order exploit consumers. This rise in oil prices necessitated price rise of several essential goods like sugar, maize flour, and rice, cooking oil and the like for more than 50% price increment for the past 12 months.

The worst scenario of the situation can be viewed on the following:- Health Care with the concept of CSR; 1829 respondents have seen complex medical cases of alleged negligence by the way of consultation, diagnosis and treatment, cross infection, both medicinal and surgical that led to severe suffering of service recipient like the recent MOI theatre scandal and in some instance death occurred. The most difficult question is how far should medical/pharmaceutical practitioners be held responsible due to their professional negligence?

Transport and Transportation with the concept of CSR; 1279 Respondents complained on the sharp increase on road accident, last year alone - 2006 more than 2838 people had died due to road accidents, let alone 15,500 others left with permanent disabilities and without forgetting those who lost their properties. Kihiyo, B (2007).

In most cases accident are caused by operators' negligence like; - operating with un-serviced cars, drivers’ negligence, operating without having proper insurances to cover customers and their properties. The most difficult question is how far should transport operators be held responsible due to their professional negligence? Public Utility - Water with the concept of CSR; 1705 Respondents commented on unreliable supply water and in some cases the quality of water supplied by regional water authorities is untreated which result to the spread of water borne diseases when
used for domestic uses. This resulted to consumers’ suffering due to stomach illness which leads to rise of unnecessary hospital bills and sometimes death.

How can the regional water Authorities been held responsible if consumers end up having untreated water that gives water borne diseases such as cholera and typhoid?. Public Utility - Electricity with the concept of CSR; 932 Respondents commented on Tanzania National Electric Supply Company Ltd (TANESCO) with power distribution monopoly, in some instances supplies power with unregulated voltage which is characterized with frequent power breakout. Due to this customers are experiencing big loss of profit, huge damages of their electrical items, their properties caught up by fire. On worst scenario several are killed as a result of electrical fault. Kihiyo, B (2007).

This appears to be nobody's business, customers continued to suffer, the most difficult question is how far should TANESCO be held accountable due to their professional negligence that cause severe suffering to their customers? General Business with the concept of CSR; 781 respondents said Tanzania market has been flooded with more than 40% counterfeit products like electric goods, cloths, auto parts, characterized with low consumer’s safety, hazardous products and products adulteration. The consumers are risking their lives and are getting big losses due to these products on some instance with very limited products traceability. The most difficult question is who is allowing these products to cross our boarders?

In case to a situation like this; who is to be held responsible - the government, Tanzania Revenue Authority (TRA), business, importer or the regulators – Tanzania Bureau of Standards (TBS), Tanzania Food and Drugs Authority (TFDA), Energy and Water Utility Regulatory Authority (EWURA), Surface and Marine Transport Regulatory Authority (SUMATRA), or Tanzania Communication Commission Authority (TCCA)?
Eighty four percent 84.7% of respondents believe that there is very low level of corporate social responsibility in Tanzania as a result of a sharp increase of consumer’s rights violations. The situation is a result of consumer’s lack of understanding on their Consumer’s Rights. Consumers continued to suffer while businesses are making super profit out of consumer’s unawareness and ignorance. Based on the report by the commissioner for Large Taxpayers Department (LTD) under Tanzania Revenue Authority for fiscal year 2005/06 it shows only 0.03% (370) tax payers were contributed about 38% of total Tanzania Revenue (2.0 trillion) collected. This shows that there are very few people who are extremely rich while majority are still living below poverty line. It is high time for the lawmakers to look into these lines; and see what they can do to protect these innocent consumers from professional misconducts. Tanzania Consumer Advocacy Society TCAS intends to conduct a seminar with Members of Parliament in near future to lobby on these matters.

It should be strongly noted that all professionals who are providing their services based on knowledge, skill and experience but the deficiency or negligence while providing these services can’t be exempted from consumer’s damages, suffering or death. Consumer has to be well compensated in case of any professional misconduct. To make the market accountable TCAS would like to establish Consumer Private and Public Partnership (CPPP) that will allow all players to air out its needs and interests and find areas where we can strike a balance for instance TCAS will fight for establishment of consumers/producers/importers clubs all over the country.

Moreover TCAS will introduce Annual award to the best manufacturer, supplier, importer, and operator in accordance to the standard and opinions of Tanzania consumers, the award will give feedback to businesses on their business conducts from Tanzania communities especially from consumers. This Annual Award aims on looking for companies to take a triple bottom line approach to their performance, sensitive to standards, quality, environment, as well as economic impact of their operations. This Award will keenly watch how businesses are applying responsive business practice that can create value chain for the betterment of consumers and that
would help a firm to become more cost efficient, accountable and responsive to consumers’ needs and interests. Kiiho, B (2007).

2.13 Experience on Corporate Social Responsibility from Other Banks

Many commercial banks make donations for worthy causes and go in many matters beyond their strict legal duties. If a firms commitment to acting morally and to promoting reasonably the common good is clearly expressed in its mission, objectives and other of the company’s intentions, prospective investors will have reasonable notice before they commit their funds to the firm.

Azad (2010) conducted a study in Bangladesh on Assessment of corporate social Responsibility performances in some selected commercial Banks and found that health sector and education have occupied the highest position in majority bank. Which means most of the commercial banks devote their effort and funds on the two sectors which is health and education compared to other sectors like sports and games environment and others. Also investment in corporate social Responsibility activities has positive relationship with the market price of the share. And all the independent variables have influences or explained the dependent variables (MPS) to the extent of 10%.

Rivers (2009), conducted a research on Thailand’s commercial bank’s role in financing dams and found that commercial banks in Thailand have some form of corporate Governance and Corporate social Responsibility commitment on paper; and these commitments vary between banks but include fair treatment of stakeholders including customers, investors, business partners and wider society and the environment; Compliance with relevant laws, transparency and information disclosure and environmental conservation and support for local communities.

There are some considerations which tend to limit the indiscriminate assumption of social responsibilities by a commercial bank to small business. For instance the commercial bank’s law may be clear that the bank’s assets do not belong to the shareholders, but to the bank itself (Lawson, 1990), and therefore the authority or
mandate about the organization and running day to day activities of the bank is within the bank itself.

East African Corporate Social Responsibility Awards (CSR) in Dar es Salaam, Tanzania, the Vice Chairman of East African Business Council, Mr Keli Kiilu (2007), said it is fantastic to see that so many businesses have taken part in these inaugural awards and the variety of entries received reflects the increasingly sophisticated nature of corporate social responsibility, going beyond simple philanthropy to more creative and strategic initiatives which support key stakeholders. So it’s a great idea for the commercial banks to participate in Corporate Social Responsibility so that society can feel as part of the bank from day to day.

Some authors like Kay (1993) Lawson (1990), argue that the basic responsibility of a firm is to balance the interests of all its stakeholders, which means, the interest of all parties which are affected by its operations. A commercial bank’s stakeholders comprise not only its owners, managers and other employees but also other parties such as customers, creditors, suppliers, trade unions and communities in which the bank operates. Therefore matters concerning bank operations and any technical issue that need a serious concern has to be known by the shareholders and all other stakeholders.

Neshamba (1997), examined the social responsibility of banks and other financial institutions towards small business in Kenya and Tanzania found that the main responsibility of the commercial banks in to balance the interests of their stakeholders while at the same time discharging their primary responsibilities. Many companies base their socially responsible actions on the belief that these actions provide or will provide some benefit to the company, a strategy referred to as enlightened self-interest. This is an important idea which is also being considered by any commercial bank because their primary objective is to maximize profit; therefore all which is being done is towards maximizing profit.
Therefore as noted earlier that banks from Asia, Africa and other places in the world have same character of administering some specific areas according to their own interest because they contribute little at the same time they get media attention and popularity. Areas preferred mostly are education, health and sports. This attitude creates a gap whereas banks offer CSR in areas of their choices without involving stakeholders into their choices. It is a high time for banks to address this gap by conducting extensive survey to come out with real problems pertaining to the society and not relying on some sectors as mentioned above. Other sectors such as roads, water shortage, unemployment, environmental degradation also needs to be addressed with seriousness.

2.14 Reasons for Companies to Engage in CSR

There are a number of different arguments on why companies engage in Corporate Social Responsibility such as, Kotler and Lee (2005) argue that companies participate in CSR in order to look better, feel better, do better and live longer. They explain that by participating in CSR, the company will look good in the view of potential customers, business colleagues, and investors and in the media. Furthermore, employees, customers, stockholders and board members will actually feel good.

Many also argue that CSR improve the brand, and some claim that companies with a strong reputation for CSR will last longer. We believe in the power of the private sector to be facilitating sustainable development and growth. Not simply through tax revenue generation and employment provision but as a major driving force behind poverty alleviation,” Mr Kiilu said (ibid). As the matter of fact poverty is the main problem in Tanzania and most of the African countries, and therefore combating poverty in an important issue that every company should be concerned with.

Kotler et al. (2005) describes that companies can gain great benefits from participating in CSR and that these benefits are the reasons for their engagement in CSR. Kramer and Porter (2006) describe the reasons for participating in CSR by moral obligation, sustainability, license to operate and reputation. It is greatly
observed that not only banks but all the companies aim at gaining benefits whenever they do something to the society, therefore CSR make the commercial banks to gain and also society gain.

According to literature such as Carroll et al. (2006) said that, the banking sector has been quite slow in considering the consequences of the issue of sustainability, despite of the fact of their exposure to risk having an intermediary role in the economy. Referring to the relevant literature from 1990 to 2000, banks began addressing the issue of sustainability by considering firstly environmental and then social issues and attempting to incorporate them by established policies for the environment and society. But then something has to be done on the environment, simply because environment has not been given priority enough by the private companies.

However, Balabanis, et al. (1998) state that many of CSR activities are regulated by law. Due to this, the focus of CSR activities has changed. The main focus of companies today lies within the areas of: Environmental protection, Philanthropy (donating to charities, etc.), Involvement in social causes (involving anything from human rights to AIDS education), urban investment (working with local government to regenerate small businesses and the inner city environment generally).

Although it seems that companies engage in CSR in order to look better, feel better, do better and live longer and that the main focus is in the area of environmental, philanthropic and social issues. Companies also engage in CSR to increase their profit as most of customers will be willing to use products from social responsible companies. For example currently the green companies have attracted most of the green customers all over the world. Also another example most commercial banks involve in donations in different sectors like education, sports and games and to some extent environmental conservation in order to attract much more customers.

The empirical literature examining the relation between CSR and corporate financial performance is extensive. As discussed previously, however, the results are generally mixed, which could be attributed to the various ways corporate financial
performance and CSR have been operationally defined (Carroll, 1979; Orlitzky et al., 2003), to the lack of appropriate statistical controls (Margolis and Walsh, 2003; Wood and Jones, 1995), or to the ‘stakeholder misalignment’ problem (Wood and Jones, 1995; Akpinar et al., 2008).

The relation between CSR and financial performance The relation between CSR and financial performance has been investigated in theoretical and empirical studies by researchers on CSR (see e.g., Margolis & Walsh 2003) as well as sustainability (see e.g., Schaltegger & Synnestvedt 2002). Empirical research on CSR and financial performance can be divided into qualitative and quantitative research. Qualitative research in this area mainly uses case studies or best practice examples to investigate the influence of CSR on competitiveness. For example, Argenti (2004) presented an in-depth case study of Starbuck’s collaboration with several NGOs deriving lessons for successful business-NGO partnerships. Rondinelli and London (2002) presented several examples from business practice to support their analysis of benefits from cross-sectoral environmental collaborations. Although most of these studies do not explicitly focus on the business case for CSR, they often provide valuable insights about CSR benefits.

2.15 General Considerations Regarding Corporate Social Responsibility

Defined by the European Multi-stakeholder Forum on CSR as “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (2004, p. 3), corporate social responsibility has become nowadays one of the main challenges for companies around the world. The main idea behind the concept of CSR is “The Triple Bottom Line” – “Profit, People, and Planet”: companies harmonize their efforts in order to be economically viable, socially responsible and environmentally sound. The literature review on the topic presents CSR concept in a more exclusive or inclusive way, depending on the author’s approach, for example, Falck & Heblich (2007, p. 247) consider that “CSR is regarded as voluntary corporate commitment to exceed the
explicit and implicit obligations imposed on a company by society’s expectations of conventional corporate behaviour”.

In Kotler & Lee’s book (2005, p. 3), “corporate social responsibility is a commitment to improve community well-being through discretionary business practices and contributions of corporate resources”. The same authors consider that “corporate social initiatives are major activities undertaken by a corporation to support social causes and to fulfill commitments to corporate social responsibility”.

In a model proposed by Carroll (1979, 1991), the definition of the corporate social performance should comprise three articulated and interrelated aspects (1979, p. 499): a basic definition of the total social responsibilities of a company, an enumeration of the issues for which a social responsibility exists, and a specification of the philosophy of corporate response to social pressures (“social responsiveness”). Considering the first aspect mentioned, an exhaustive definition of corporate social responsibility should emphasize the whole range of social obligations a business has to society: economic, legal, ethical and philanthropic (discretionary) responsibilities.

These four types of social responsibilities form the corporate social responsibility, and they should be analyzed together; only a simultaneous fulfillment of the firm’s economic, legal, ethical, and philanthropic responsibilities means a total corporate social responsibility. Strictly or literally comparing Kotler & Lee’s definition of CSR with the one of Carroll’s, the first one is more exclusive, emphasizing especially the fourth type of responsibilities the philanthropic discretionary ones – from Carroll’s model, which could lead to a contradiction between the two approaches. But, at a second look, reaffirming the main economic reason of a business organization and considering its existence in an environment governed by law, the first two dimensions of Carroll’s model (economic and legal ones) are implicit in Kotler & Lee’s definition. In this way, “the discretionary business practices” could be associated with “ethical” and “philanthropic” responsibilities, because none of them are imposed by an external force, but are freely chosen at a corporate internal level.
2.16 Empirical Review

This section presents empirical literature pertaining to corporate social responsibility and market share of commercial banks in Tanzania. It covers experience from countries outside Africa, African countries and lastly Tanzanian experience. Through an empirical study done at Stanford University in UK by David P. Baron on Corporate Social Responsibility and Social Entrepreneurship, the findings show that, the creation of CSR firms increases aggregate social giving. Firms can also undertake strategic CSR activities that increase profits, and a social entrepreneur carries strategic CSR beyond profit maximization and market value maximization. Also it was concluded that, shows that CSR is costly when it is an imperfect substitute, but entrepreneurs and not shareholders bear that cost.

An American Scientist known as Xueming Luo & C.B. Bhattacharya did a research on corporate social responsibility, customer satisfaction, and market value. From his research he concluded that, CSR affects market value partially through the mediator of customer satisfaction. Secondly returns to CSR can be both positive and negative depending on the levels of a firm’s corporate abilities.

Fredrick Onyango Ogola and Thomas Dreer (2012) from spain also investigated on the market share as an indicator for corporate social responsibility (CSR) spending: the study of coca cola’s market. In this study the researcher observed that although, prior research has addressed the influence of corporate social responsibility (CSR) on perceived customer responses, market value, and bottom line, among other drivers for CSR, it is not clear whether the market share of a firm is an indicator for CSR spending in different markets. However, the interesting finding was that markets with low relative market share were found to have low spending, markets with medium relative market share (MS) show rather high spending and from there, generally speaking, the social spending declines with increasing market share. Hence, managers appear to invest more on CSR in areas with fierce rivalry, where they have medium market share.
Shirley Yeung (2011) from China did a research on the role of banks in corporate social responsibility. This study come up with the following recommendations, an organization needs to have the followings in place in order to become a social responsible bank to meet customer requirements: Establishing a mindset of risk management, business ethics and corporate social responsibility through internal management of people and process; Understanding complex financial products through external management of economic situation and internal management of people and process for the benefit of investors, management and community; Protecting rights of customers with setting up channels for customers to address complaints through internal management of implementing strategy for financial crisis and external management for stakeholder consideration, accountability and creditability.

All in all, management of a banking organization shall have appropriate policy in place for establishing positive organizational culture and social responsible mindset of staff members. If commitment for becoming a social responsible banking organization between management and staff, and accountability and creditability can be demonstrated through effective and efficient internal audit, customers and the community will be benefited with risks reduced and quality enhanced.

Cedric Dawkins and Faith Wambura Ngunjiri (2008) in their research on corporate social responsibility reporting in South Africa demonstrate that CSRR receives considerable attention in South Africa, but not all accounts are positive. However it should be notes that voluntary sustainability initiatives have not succeeded and compliance with Black Economic Empowerment charters and environmental standards have to be legislated and regulated to achieve compliance. The economic growth in South Africa is widely acknowledged, but some observers complain that attempts to curb wealth inequities have mostly failed or are too slow (Dickinson, 2004). On the other hand, businesses in South Africa have complained that the reporting requirements are too onerous and costly (Herbst, 2005).
In spite of this criticism, the CSRR in South Africa is highly favorable and warrants scrutiny to determine which aspects might be effectively duplicated in other parts of the world. Because business practice and its impacts are global, comparative analyses can help researchers and practitioners to translate normative standards into best practices that cross national boundaries. The invisible hand of the free market is extolled for the ability to bring about constructive outcomes for stakeholders, but thus far the South African experience shows the favorable impact of governmental and institutional regulation on CSRR. Notwithstanding, the overall impact of the South African approach to CSR on its economy cannot be determined in the near term.

Of course, the actual CSR activities are most critical and there is yet—outside of efforts to manage poor CSR—no clearly established relationship between CSRR and actual CSR performance. Some companies are disingenuous about CSR and provide superficial information, as demonstrated by high-profile scandals of recent years (e.g., Parmalat, Enron). Company rhetoric may differ from substantive behavior with respect to policies and resources devoted to CSR (Roberts, 2003; Weaver, Trevino, & Cochran, 1999). Despite these drawbacks, CSRR serves as a precursor to placing more attention on actual performance and more credible measures of corporate social impact. Further empirical evidence is needed to determine the practical significance of CSRR and to determine the extent to which CSRR correlates with actual CSR practice.

The effect of corporate social responsibility on business operations and performance is the research done by Jimmy Mugisa (2011) from Uganda Martyrs University, Nkozi. He concluded that, clearly from the results of this research, factors that influence CSR practice come from all the stakeholders’ perspectives of community, customer, employees, investors, suppliers and the environment. A business needs to incorporate all the stakeholder needs in its business operations as these have underlying benefits to a socially responsible corporation.
Approach to CSR combines a strong sense of responsibility with modern business sense and a commitment to: quality service for customers and a culture of continuous improvement; an emphasis on strong public accountability; responsible employment practices with well-trained, well-managed and motivated employees, who are fairly rewarded; contributing to community well being and playing a full role as a corporate citizen; a sustainable approach to environmental issues, including the use of natural resources and energy; actively managing risks to businesses, clients and stakeholders, as well as to company’s reputation and a good return to shareholders.

Results from this research indicate that the CSR activities that were engaged in by Vision Group and UCL in the areas of the customer, employee, supplier, investor, community and the environment fit well in the legal, economic, ethical and philanthropic aspects as highlighted by Carroll (1991). Good working conditions for the employees, disclosure requirements, sales growth, product quality and packaging fit in well with the economic and legal aspects while awareness campaigns, donations to the community, tree planting among others fit in well with the ethical and philanthropic aspects. Basing from the outcomes of the study, the corporations under study registered positive trends as regards their business operations and performance in the areas of customers where new products and product quality enhancements were observed, internal business processes where new automation of processes was observed, innovation and learning where new skills and training were imparted onto the staff and the financial perspective where sales grew for each year. Organizations wishing to survive in today’s volatile environment must adhere to corporate social responsibility requirements by indulging in activities that spur efficient operations and better performance. There is need for continued support from senior management and all the stakeholders, the challenge being to continuously ascertain what the company’s significant social and environmental impacts are and attaching shilling values to these impacts to ably evaluate operations and performance.
2.17 Conceptual Frame Work

Figure 2.1: Corporate Social Responsibility and Market Share of Commercial Banks.

2.17.1 Social Services
Social Services thee benefits and facilities such as education, food subsidies, health care, and subsidized housing provided by a government to improve the life and living conditions of the children, disabled, the elderly, and the poor in the national community. Social services are a range of public services provided by many national or regional government organizations for its residents, including such things as healthcare, education, public housing, and social security. Not all public services are social services. Some companies use social service as means of marketing or tax saving medium. Corporate Social Responsibility is one of the market strategies for most of the companies.
2.17.2 Environmental Conservation

Conservation is an ethic of resource use, allocation, and protection. Its primary focus is upon maintaining the health of the natural world: its, fisheries, habitats, and biological diversity. Secondary focus is on materials conservation and energy conservation, which are seen as important to protect the natural world. Those who follow the conservation ethic and, especially, those who advocate or work toward conservation goals are termed conservationists. Environmental conservation involves attempting to protect the habitats of certain life forms including plants and animals. Conservation efforts can also include taking steps to protect the Earth from the harmful effects of manmade and natural hazards and contaminants. Some environmental conservation programs are sponsored by governments but corporations and non-profit groups also spearhead many such programs.

2.17.3 Policy Case

Government legislation and policies can have a significant impact on the work of educational advancement professionals around the world. CASE also works with other associations and organizations to communicate members' interests, views and needs to government policy makers. CASE monitors relevant legislative and regulatory activity in the government. Updates its members with timely information, CASE provides support, resources and expertise to help advance growing government support for philanthropy

2.17.4 Marketing Share

Market share is the percentage of a market (defined in terms of either units or revenue) accounted for by a specific entity; marketers need to be able to translate sales targets into market share because this will demonstrate whether forecasts are to be attained by growing with the market or by capturing share from competitors. The latter will almost always be more difficult to achieve. Market share is closely monitored for signs of change in the competitive landscape, and it frequently drives strategic or tactical action. Market share is a key indicator of market competitiveness—that is, how well a firm is doing against its competitors.
2.18 The Gap

In connection with the review of literature above, there is widespread evidence that many scholars from different countries have done various studies related to corporate social responsibilities in the banking industry. Corporate social responsibility has been connected to profitability of the organization, leads to increased market share and also increased reputation.

Many studies have been done on CSR whereas there are some gaps noted and needs to be addressed. The perception of giving priority to some sectors such as education, health and sports while forgetting others like environmental conservation, roads construction which also has impact on the market share of commercial banks has also being observed on the literature. Also there has been a widespread support in events like sports which many international and local banks prefer to support, the key question is why banks prefer to do that and what is the impact on the market share. The CSR must have the impact in the market share hence reflects on profit if want to be sustainable, is this what happen to most banks?

Therefore the above gaps noted were addressed specifically using NMB as case study to show the relationship between corporate social responsibility and market share of banks in Tanzania.
CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction
This chapter presents research procedures and methods that were used in the course of conducting the study. The chapter also points out the type of research design used, area of study, target population, sample size sampling techniques, data collection methods, as well as data analysis. The researcher adopted a single method approach, qualitative analysis method in data presentation. This approach ensures realization of in-depth analysis of the information.

3.2 Research Design
In order to achieve research objective, the study used exploratory research design to gain insight into the topic that is little known in order to answer what, how or why to explore the study and come out with relevant findings. The main purpose for an exploratory research is to collect as much data as possible in a specified area of research and enlighten it in a versatile approach. In explanatory approach, the researcher is interested in establishing the cause effect relationships between variables. This type of research demands that there is adequate knowledge within the research area in order to derive theoretical assumptions into practice (Baradyaba & Ame 2007).

3.3 Area of the Study
The NMB headquarters which is in Dar es Salaam zone was the study area. This zone is leading by having many branches compared to other zones. Dar es Salaam is found in the East-south of Tanzania at the shore of Indian Ocean at 6°48’ south, 39°17’ east. It is also the country’s business centre attracting many tourists due to the presence of beaches and International airport. This is one of the biggest city in the country having the population of about 4mill and leading by having many branches of National Microfinance Banks compared to other cities. People from different regions migrate to this city simply because they believe that business ventures and
jobs vacancies are available. In other words there is a belief that life is possible in Dar es Salaam because everything is business and since all government offices are allocated there, jobs can easily be obtained.

According to Tanzania national census 2002, the population of Arusha region was 1,292,973 (NBS, 2002). The rapid growth of the population is due to urbanization which draws people of many tribes from different regions in Tanzania. Due to rapid increase of population in Arusha Municipality, individual try various alternatives to earn a living. As a result they establish various small and medium enterprises which could help them to earn income. A number of small and medium enterprises have accounts with NMB as is it gave loans at a small interest rate compared to other banks.

In 1997 the National Micro finance Bank Limited Incorporation Act established the NMB. In practice, this meant that NMB only provided payment services, saving accounts and no or limited borrowing services. The government of the United Republic of Tanzania started the privatization process in 2005 and sold part of its shareholding (49%) to a consortium led by the cooperative Centrale Raiffeisen-Boerenleenbank B.A (Rabobank Group). National Micro finance Bank (NMB) is the largest bank in Tanzania, both when ranked by customer base and branch network, with 133 branches located in more than 80% of Tanzania’s districts.

3.4 Target Population
Population is basically a large group that bears characteristics of the research issue. Babbie (1992) defined population as a group consisting of individuals or things or elements that fit in a certain specification. The focused population in this paper was the management and employee of National Micro-finance Bank in Dar es Salaam together with the bank’s stakeholders that include customers and general public. This is because the management is responsible of giving out donations or the so-called socially responsible activities to the society whom partly have share with the banks and others do not have. On the other hand the management is also responsible in
assessing the contribution of whatever is being done to society towards their share in the market.

3.5 Sample Size

The target sample size of the study focus on NMB management, employees, NMB customers and general public in Dar-es-salaam region whereby about 120 individuals participated. About 70 customers and 50 employees were interviewed, which in turn enabled the researcher to get necessary data for the research.

Table 3.1: Sample Size

<table>
<thead>
<tr>
<th>S/N</th>
<th>Category</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>NMB Management</td>
<td>15</td>
<td>12.5</td>
</tr>
<tr>
<td>2</td>
<td>NMB Staff (Middle &amp; Lower Level)</td>
<td>35</td>
<td>29.2</td>
</tr>
<tr>
<td>3</td>
<td>NMB Customers</td>
<td>70</td>
<td>58.3</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>120</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Field Data Survey 2013

3.6 Sampling Techniques

Sampling techniques based on probability sampling and non-probability sampling. In probability sampling, the study used simple Random Sampling and in Non – Probability sampling, Judgmental/purposive sampling was used.

3.6.1 Simple Random Sampling

Therefore in this case the study used this technique to the 70 NMB customers found in various branches in Dar-es-salaam due to a reason that the population size of this group is large as well as the technique provide equal chance to the units of inquiry of being selected to form a sample as well as the less expenses of the technique. This technique has been used to 35 NMB employees at the lower cadre such as bank officers.
3.6.2 Judgmental / Purposive Sampling

The study used this procedure to select respondents due to their characteristics or knowledge of the study for the purpose of getting relevant information; however judgmental sampling was used to the 25 NMB middle and senior employees because they have sufficient knowledge on the practice of the matter at the bank that is they are responsible of participating in socially responsible activities and also in doing evaluation about the market share.

3.7 Methods of Data Collection and Instruments

The study used both Primary data and Secondary data collection methods during the study. Kothari (1990:95) defines Primary data as those data which are collected a fresh and for the first time, and thus happen to be original in character. Therefore this involved data from respondents through questionnaires and Interview. Also Secondary data are those data which have already collected by passed researcher, documentary review and internet was also be used in this study.

3.7.1 Data Collection Methods

This study used a combination of methods to collect data including a standardized questionnaire with both open and close ended questions supplemented by in depth interviews with key informants and observations. The use of multiple instruments ensured validity and reliability of data collected.

Observation

Non- participant observation was used to collect data. It was used to get first hand information on the spot on the real situation of corporate social responsibility and market share of commercial banks in Tanzania at National Microfinance Bank (NMB). Through this method information that was pertained to skills, perception and knowledge was gathered and analyzed by since the researcher is working with NMB Bank.
**Documentary Review**

These are secondary data which was collected through library research and documentary review. Both published and unpublished materials like books, theses, journals, articles, research reports, budgets, project documents and e-resources etc. were reviewed and major points was summarized. By using documentation from different NMB Bank Branch was reviewed by the researcher to see the effect the corporate social responsibility and market share of commercial banks in Tanzania at National Microfinance Bank (NMB). This source of data was used because it was provided contemporary information and helped in understanding how corporate social responsibility and market share of commercial banks in Tanzania at National Microfinance Bank (NMB) needs are identified.

**3.7.2 Data Collection Instruments**

**Interview Instruments**

A researcher conducted a discussion with the NMB employees and customers at the majority because they many and relevant information can be collected instantly. This method intended to get information or data from focal persons. Therefore, interview guides were prepared so as to help the researcher to be systematic in the process of interviewing. Unstructured interview was employed.

**Questionnaire Instrument**

Both open ended and closed questionnaires was prepared and distributed to the appropriate respondents who work at NMB in different departments. This method helped the researcher to get much information from different sources. This approach require a researcher to go with questionnaires to the respondents and read to them the questions and write down answers especially those who cannot find time to fill the questionnaire.

**Documentary Instrument**

The researcher collected data from different documentary sources which had already been collected by other researchers. Researcher visited libraries in Dar-es-salaam, so as to gather data from published and unpublished document such as past report on
research done on similar subject. However, researcher collected secondary information from the internet which helps a lot in the study.

3.8 Data Analysis Procedures
Both qualitative and quantitative methods of data analysis were employed. Quantitative field data was organized into categories, labeled, edited and coded. A Statistical Package for Social Scientists (SPSS) for Windows Version 19 was used to derive, frequencies, percentages, tables and charts etc. Qualitative data from interviews and open ended questions was organized into meaningful themes and analyzed using content analysis. Also the researcher used qualitative descriptive method to analyze comments, suggestion and ideas from respondents who mainly are the employees and customers of NMB bank. This enabled the researcher to interpret data collected and ultimately make necessary, recommendation and reach a conclusion.
CHAPTER FOUR

RESEARCH FINDINGS AND DISCUSSIONS

4.1 Introduction
This chapter presents the findings and discussions as obtained in the field through questionnaires and interview in comparison with findings in the literature review.

Respondents

Table 4.1: Distribution of Respondents: N = 120

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>NMB Management</td>
<td>15</td>
<td>12.5%</td>
</tr>
<tr>
<td>NMB Staff (Lower &amp; Middle Staff)</td>
<td>35</td>
<td>29.2%</td>
</tr>
<tr>
<td>NMB Customers</td>
<td>70</td>
<td>58.3%</td>
</tr>
<tr>
<td>Total</td>
<td>120</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Survey, 2013

Results from the table 4.1 above, shows that, respondents was as follows, 15 (12.5%) are NMB Management members, 70 (58.3%) were NMB Customers, and 35 (29.2%) of the respondents were NMB Staff (Lower & Middle Staff). Making the total of respondents to 120 respondents.

Gender

Results from the field indicates that, Management staff were 9 (7.5%), male, and 6 (5%) of the respondents were females. MNB lower and Middle Staff were 18 (15%) males and 17 (14.2%) of the respondents were females. However, the researcher also interviewed the customers of NMB Bank. The results from table 4.2 below revealed that, 35 (29.2%) of the respondents were males and other 35 (29.2%) were females. These shows that, NMB Bank has gender balance to both Staff and Customers.
Table 4.2: Gender Situation for NMB Respondents

<table>
<thead>
<tr>
<th>S/N</th>
<th>Category</th>
<th>Male</th>
<th>%</th>
<th>Female</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>NMB Management</td>
<td>9</td>
<td>7.5%</td>
<td>6</td>
<td>5%</td>
</tr>
<tr>
<td>2</td>
<td>NMB Lower &amp; Middle Staff</td>
<td>18</td>
<td>15%</td>
<td>17</td>
<td>14.2%</td>
</tr>
<tr>
<td>3</td>
<td>NMB Customers</td>
<td>35</td>
<td>29.2%</td>
<td>35</td>
<td>29.2%</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>62</strong></td>
<td><strong>51.7%</strong></td>
<td><strong>58</strong></td>
<td><strong>48.4%</strong></td>
</tr>
</tbody>
</table>

Source: Survey, 2013

4.2 Effect of Support to Education on Market Share

The question of impact of educational support on market share in NMB was asked to address the first objective of the research. The results revealed that, out of 120, 90(75%) of the respondents agreed that there are big effect of support to education on market share to NMB Bank. However, 30(25%) of the respondents said that education support has no effect on market share. See the fig 4.1.

Figure 4.1: Impact of Educational Support on Market Share in NMB

Source: Survey, 2013
The above image (image 1) represents different charity works which is done by NMB in the society. Image one show Samuel Sita (MP) who was the former speaker of the National Assembly (Tanzania) receiving desks from NMB official on behalf of the government.

4.3 Impact of Environmental Conservation on the Market Share

The question of impact of environmental conservation on the market share was asked to address the second objective of the research. The finds show that, 48 (40%) of the respondents agreed that, environmental conservation has an impact on the market share. But 72(60%) of them said that environmental conservation has no impact on the market share. This has been illustrated on the table 4.3 below.
Table 4.3: Impact of Environmental Conservation on the Market Share

<table>
<thead>
<tr>
<th>S/N</th>
<th>Awareness Status</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agree</td>
<td>48</td>
<td>40</td>
</tr>
<tr>
<td>2</td>
<td>Disagree</td>
<td>72</td>
<td>60</td>
</tr>
<tr>
<td>3</td>
<td>Total</td>
<td>120</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Survey, 2013

4.4 Events like sports and market share

Table 4.4 below explains the effect of events like sports (see image 2) on the market share. Objective three addressed the influence of events like sports on market share of commercial banks. The question addressing this objective was asked. The results show that, 70% of the respondents said that, events like sports influence the market share, and 30% of them said these events does not affect the market share of the commercial banks like NMB Bank.

Table 4.4: Impact of Sport Events done by NMB

<table>
<thead>
<tr>
<th>S/N</th>
<th>Awareness Status</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agree</td>
<td>84</td>
<td>70</td>
</tr>
<tr>
<td>2</td>
<td>Disagree</td>
<td>36</td>
<td>30</td>
</tr>
<tr>
<td>3</td>
<td>Total</td>
<td>120</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: survey, 2013
4.5 The Role of Corporate Social Responsibility on Market Share

The Role of Corporate Social Responsibility on Market Share was addressing fourth objective of the research. The question on the role of corporate social responsibility policy on market share in NMB was asked, the following are the results from the field. 96% of the respondents said that Corporate Social Responsibility has an effect on the market share. However, only 4% said that Corporate Social Responsibility has no an effect on the market share. See fig
4.5.1 Availability of Corporate Social Responsibility in NMB

Following documentary review to the study, it was noted that NMB has a clear and strong policy which requires the bank to make contribution to the society every year. These contributions are reflected in the long term contribution – these are based on 3 to 5 years contract like that of Taifa Stars, and others which are short term and just occur occasionally such as education, health and emergence support like floods and bombings happened in Dar-es-salaam.

4.5.2 Corporate Social Responsibility Sectoral Preference

It was noted in this study that all 50 respondents who are NMB employees mentioned 3 sectors which seem to be preferred by NMB in contribution. These sectors are Events and Sports which is number one in priority as 49 respondents which is 98% commented for it, Education sector has been the second whereby it has been mentioned by 45 respondents which is 90%. Health sector is the third; it has 32 respondents which is 64%. Lastly, 24 respondents which is 48% mentioned other sectors as NMB preference in corporate social responsibility as seen in table 9.
### Table 4.5: NMB Sector Preference

<table>
<thead>
<tr>
<th>S/N</th>
<th>Sector</th>
<th>Counts</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Education</td>
<td>45</td>
<td>90</td>
</tr>
<tr>
<td>2</td>
<td>Events and Sports</td>
<td>49</td>
<td>98</td>
</tr>
<tr>
<td>3</td>
<td>Health</td>
<td>32</td>
<td>64</td>
</tr>
<tr>
<td>4</td>
<td>Others</td>
<td>24</td>
<td>48</td>
</tr>
</tbody>
</table>

*Source: survey, 2013*

### 4.5.3 The Role of Corporate Social Responsibility policy on Market Share

According to this study, it was noted that corporate social responsibility policy has important contribution towards market share as revealed by the fact that 28 NMB employee respondents which is 56% agreed that corporate social responsibility has contributed a lot towards market share acquisition while 22 NMB employee respondents which is 44% disagreed by saying that corporate social responsibility has no vital role on market share as seen in figure 15 and table 10 below.

*Figure 4.5: The role of Corporate Social Responsibility policy on Market Share*

![The role of Corporate Social Responsibility policy on Market Share](image)

*Source: survey, 2013*
CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction
This chapter presents a summary of findings obtained during the study. The summary comprises of the main objective together with its specific objectives. Methods of data collection were summarized together with the instruments used in data analysis. Results obtained for each objective was presented and the main recommendations of the study were summarized.

5.2 Summary of Study
Corporate Social Responsibility (CSR) is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders that responsible behavior leads to sustainable business success.

For the past three decades, business has been undergoing the most critical observation it has ever received from the public. As a result of many claims the businesses have been charged with Having little concern for the consumer, Caring for nothing about the deteriorating social order, Having no concern of acceptable ethical behavior and Indifference to the problems of minorities and the environmental concern

CSR is still in early stages in Tanzania, largely due to obstacles faced by business. Efforts are being made by large companies and key players in the country to introduce CSR in the industry and to implement CSR initiatives. For a long time, different commercial banks have been engaging into corporate social responsibility in the location where they are found. The problem is; it is hard to find out whether they are driven by charity motives or business motives and if the later is involved to what extent do the banks benefit.
NMB as part of commercial banks in the Tanzanian society has been supporting the communities in so many ways. In average according to NMB annual reports (2010), NMB contributes to the society in the whole of Tanzania not less than TZS 500 million every year. Apart from charity motive to support the community, also NMB has a business motive of creating a positive image through Corporate Social Responsibility that’s why it is important that the support should bring the impacts intended to increase the market share of NMB bank.

This study presents the research on the effectiveness of corporate social responsibility and market share of commercial banks in Tanzania a case of National Microfinance Bank (NMB). The objectives of the study were to examine the effect of support to education on the market share of commercial banks, examine the impact of environmental conservation on the market share of commercial banks, to assess the influence of events like sports on market share of commercial banks, and to investigate the role of corporate social responsibility policy on market share in NMB.

The study has investigated the relationship between corporate social responsibility and market share of commercial banks in Tanzania. Specifically, the study findings include:

(i.) The effects of educational support to the market share of commercial banks
(ii.) Examination of the environmental conservation impact on the market share of commercial banks
(iii.) Assessment of the influence of events like sports on the market share of commercial banks in Tanzania
(iv.) Examination of CSR initiatives taken by NMB on its market share

The study used case study design to achieve its objectives. The target groups for the study were NMB Bank employees and Customers. The sample size for the study was 120 respondents and Data was collected by using questionnaire administration, in-depth interview, observations, and documentary review. The quantitative data collected were analyzed by using SPSS VERSION 19. The findings were presented
in tables, figures and text to simplify interpretation and general appraisal of the phenomenon.

Generally the study objectives have been met. It is recommended that NMB Bank should increase other contribution to many families that are suffering from different chronic diseases and most of them are unable to access the needed care due to financial constraint.

5.3 Conclusion

Based on the objectives of the study, the following conclusions are made. With regard to effect of support to education on the market share of commercial banks, the findings revealed that support to education have bigger effect on market share of the commercial Bank in Tanzania. Also it was revealed that, events like sports influence the market share of the commercial banks in Tanzania like NMB Bank. Concerning the impact of environmental conservation on the market share of commercial banks, the results show that environmental conservation has no impact on the market share of the commercial bank in Tanzania.

In regards to the influence of events like sports on market share of commercial banks, the study concluded that events like sports influence the market share.

Regarding the role of corporate social responsibility policy on market share in NMB, According to this study, it was noted that corporate social responsibility policy has important contribution towards market share. Also it was noted that NMB has a clear and strong policy which requires the bank to make contribution to the society every year. These contributions are reflected in the long term contribution.

5.4 Recommendations

The results gave us a real picture on how commercial banks can gain market share through participating on CSR. It is observed that NMB has concentrated on education and sports and leave other important areas like health and environment which are quite sensitive to society. Donation on hospital equipments or rather treatment of heart disease patients and may be environmental conservation programs
would attract many more customers to bank with NMB, this is because of the sensitivity of such areas to the community. Currently so many families are suffering from different chronic diseases and most of them are unable to access the needed care due to financial constraint, so if commercial bank could deal with that then it would end up increasing its market share and creating good image and thus goodwill to the commercial banks including NMB family.

5.5 Areas for Further Research
Corporate Social Responsibility is gaining popularity to many companies in Africa as well as in the world and is used for promoting goodwill which at the end would lead to the increase in the profit of the company. And it is very important for the private companies to participate in CSR regardless of job creation by such that even uneducated individuals can benefit from the existence of the company.

Based on the findings, the following areas are suggested for further study. This research study has provided a deeper knowledge within the field of CSR by NMB. However, there are still many interesting areas to do study. Therefore, the following list of suggestions for further research:

(i.) To analyze changes in CSR engagement by NMB and the customers demand for CSR.
(ii.) To investigate the similarities and differences between NMB and other banks in provision of CSR in Tanzania.
(iii.) To assess the effectiveness of CSR by profit making organizations in Tanzania.
(iv.) How effective or efficient is CSR in boosting the market share of commercial banks.
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APPENDICES

Appendix 1: Questionnaire

A.  Introduction letter

Dear Sir/Madam,

I am Restus Assenga a post-graduate student pursuing Master of Marketing at Mzumbe University Dar es salaam campus. I am carrying out a study on “Corporate Social Responsibility and Market Share of Commercial Banks in Tanzania” as a partial requirement for the award of Masters Degree.

As for that matter, I have identified you as one of my respondents and I hope that you feel free to discuss with me. Kindly, be assured that all the information that you will provide will be treated in confidence and for academic purposes only. I kindly ask you to fill in this questionnaire correctly.

B: Preliminary information

*Please, put tick [    ] where appropriate.

1. Profession....................................................................................................................................................

2. Respondent’s current job title/position...........................................................................................................

3. Gender: Male [    ] Female [    ]

4. Age: Under 30 years [    ]
   31 – 40 years [    ]
   41 – 50 years [    ]
   51 years and above [    ]
5. Level of education of the respondent:
   (i.) Certificate [    ]
   (ii.) Diploma [    ]
   (iii.) Degree [    ]
   (iv.) Postgraduate Diploma [    ]
   (v.) Masters Degree [    ]
   (vi.) PhD [    ]
   (vii.) Other (s) specify ..............................................................

6. Experience of the respondent in the organization
   (i.) 0 – 5 years [    ]
   (ii.) 6 – 10 years [    ]
   (iii.) 11 – 20 years [    ]
   (iv.) 21 and above... [    ]

1.0 The impact of environmental conservation to the market share of commercial banks.

Q. Are you aware of any environmental conservation programs done by NMB? (Tick one)
   (i.) Yes □
   (ii.) No □

Q. If yes, what are some of these programs? (Tick the appropriate option)
   (i.) Trees planting by the bank employees □
   (ii.) Sponsoring environmental conservation activities □
   (iii.) Cleaning the environment/streets by the banks employees □
   (iv.) Any other, please specify ......................................................

Q. If No, why is it so?
   Explain your response ............................................................................
Q. A. Based on your response above, do you agree that environmental conservation programs can boost market shares of commercial banks? 
(Choose the correct option)

(i.) Strongly disagree
(ii.) Disagree
(iii.) Neutral
(iv.) Agree
(v.) Strongly agree

B. Briefly explain your response above

………………………………………………………………………………………………………………
………………………………………………………………………………………………………………

Q. How can you rate the effectiveness of environmental conservation programs in boosting market shares of commercial banks as compared to other CSR programs like ethical, legal, economical e.t.c (choose the correct option)

(i.) Very effective
(ii.) Effective
(iii.) Neutral
(iv.) Not effective
(v.) Not effective at all

Q. Briefly explain your response above……………………………………………………

………………………………………………………………………………………………………………

2.0 The effect of support to education to market share of commercial banks

2.1 Does NMB provide any support to education in your community?

(i.) Yes
(ii.) No
If yes mention the kind of education support to the community from NMB

..........................................................................................................................................................
..........................................................................................................................................................
..........................................................................................................................................................

2.2 How do you explain the image of NMB to the public?
(i.) Very good
(ii.) Good
(iii.) Bad
(iv.) Very bad

2.3 Does support to education by the bank increase your confidence to the bank?
(i.) Yes
(ii.) No

If Yes Explain how
..........................................................................................................................................................
..........................................................................................................................................................
..........................................................................................................................................................
..........................................................................................................................................................

2.4 Is there an increase in number of customers as a result of support to education by NMB?
(i.) Yes
(ii.) No

If yes explain how
..........................................................................................................................................................
..........................................................................................................................................................
..........................................................................................................................................................
..........................................................................................................................................................
3.0 The impact of events like sports on market share

3.1 Have you ever heard NMB supporting sports?
   (i.) Yes
   (ii.) No

   If yes which sport(s) ever sponsored by NMB?
   ..................................................................................................................
   ..................................................................................................................
   ..................................................................................................................

3.2 Do the sports sponsorship from NMB increase its market share among commercial banks in Tanzania?
   (i.) Yes
   (ii.) No

   If yes explain how.
   ..................................................................................................................
   ..................................................................................................................

3.3 What was your perception on sports sponsorship/support from NMB?
   (i.) Very good
   (ii.) Good
   (iii.) Bad
   (iv.) Very bad

   Give your comment basing on your answer
   ..................................................................................................................
   ..................................................................................................................
   ..................................................................................................................
3.4 Do you wish to bank with NMB due to its support offered to the community?

(i.) Yes

(ii.) No

If yes explain how.

..................................................................................................................
..................................................................................................................
..................................................................................................................
..................................................................................................................

Thank You.