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The Trend of Corporate Social Responsibility Spending by Public Sector Organisations: Evidence from Water Supply and Sanitation Authority in Tanzania

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Abstract

Background: Corporate Social Responsibility (CSR) has gained prominence as organisations increasingly recognise their role in contributing to social and environmental well-being. This study focuses on the CSR spending trends of Public Water Supply and Sanitation Authorities (WSSAs) in Tanzania, shedding light on their commitment to sustainable development through social and environmental initiatives.

Objective: The study aim was to assess the trends of CSR spending by WSSAs in Tanzania over a five-year period (2015-2019). Specifically, the study aims to identify areas of CSR investment and assess the distribution of financial resources among various CSR activities undertaken by WSSAs.

Method: Secondary data from 114 WSSAs were analysed using descriptive methods, specifically the line graphs to show CSR spending trends, and paired t-tests gauged significant changes over the five years.

Results: The study finding reveals a gradual increase in CSR spending by WSSAs in Tanzania from 2015 to 2019. This upward trend indicates a sustained dedication to fulfil social and environmental responsibilities, contributing to the broader goal of sustainable development. The study also indicates a preference for directing CSR resources towards social-oriented activities. Notably, the highest spending was observed in local educational programmes and health services, while the lowest spending was observed on sports and cultural festivals.

Conclusion: The study emphasises fostering policies to encourage ongoing CSR spending by WSSAs, especially in impactful education and health areas. Collaborative frameworks with local communities can address social and environmental challenges, aligning initiatives with community needs for holistic regional development.

Keywords: Corporate social responsibility spending, Public sector organisations, Tanzania

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1. Introduction

Public sector organisations are increasingly recognising the need to embrace socially responsible practices to address the diverse needs of society and enhance their public image (Borca et al., 2014). CSR refers to the voluntary actions undertaken by organisations to integrate social and environmental concerns into their operations and interactions with stakeholders on a voluntary basis (Yevdokimova et al., 2019). The concept of CSR has evolved beyond mere philanthropy to encompass a strategic approach that aligns public sector organisations' objectives with social and environmental goals (Blagoycheva, 2018). WSSAs, as public entities responsible for supplying water and sanitation services, are increasingly expected to go beyond their core functions and actively engage in social and environmental responsibilities (Rakesh & Pawan, 2019). Such responsibility is often seen as a means to address pressing societal issues, strengthen stakeholder relationships and enhance the overall reputation (Kasum et al., 2017).

Furthermore, there are various CSR activities from which organisations can spend their CSR funds, e.g. contributions to community development projects, supporting local education and healthcare, promoting access to clean water and sanitation facilities in underserved areas, investing in wastewater treatment and recycling systems, and advocating water conservation campaigns (Johnson et al., 2021). Through these activities, organisations can align with their operational goals and contribute to community development.

Water supply and sanitation authorities, as public entities responsible for supplying water and sanitation services, are expected to go beyond their core functions and actively engage in social and environmental responsibilities (Rakesh & Pawan, 2019) as a means to address pressing societal needs, strengthen stakeholder relationships, and enhance their overall reputation (Kasum et al., 2017). Furthermore, incorporating CSR practices into their operations can foster a culture of environmental consciousness and social responsibility which may enhance their performance.

However, studies on the trend of CSR spending by public sector organisations, specifically by WSSAs in Tanzania, are lacking. Existing studies on the trend of CSR spending, such as Kumar and Tripathi (2018) and Manisha (2019) primarily focus on profit-making organisations in countries where CSR spending is mandatory. Further, studies, e.g. Phillips and Taylor (2020), highlighted the need for further research on the trend of CSR spending in the public sector organisations.

It is important to understand the trend of CSR spending by public sector organisations for the following reasons; firstly, as custodians of public resources and essential services, public sector organisations have a significant impact on society and the environment (Blagoycheva, 2018). Assessing their CSR spending trends allows for transparency and accountability, ensuring that these entities fulfil their social and environmental responsibilities effectively. Secondly, CSR spending trends provide insights into the organisations' priorities and commitment to community development, reflecting their alignment with national and global development agendas. This understanding helps stakeholders, including government bodies and donors, gauge the organisation's commitment to the wellbeing of the communities they serve. Lastly, it helps to identify potential gaps or areas of improvement, enabling the public sector to optimise the allocation of resources and enhance the overall impact of their CSR activities.

Therefore, this study aims to fill this gap by providing empirical evidence to the body of knowledge on the trends of CSR spending by WSSAs in Tanzania over a five-year period (2015-2019), by identifying the areas of CSR investment and assessing the distribution of financial resources among various CSR activities undertaken by WSSAs. The findings of this study inform WSSA management about the trend of CSR spending in their organisations, enabling them to make informed decisions regarding CSR activities on which organisations should spend their CSR fund. Additionally, the findings provide inputs to policymakers in developing policies that encourage CSR investment by public sector organisations.

2. Literature Review

2.1. Subdivision - numbered Theoretical Literature Review on the Trend of CSR Spending

2.1.1 Legitimacy Theory

Legitimacy theory, a prominent theoretical framework in the field of corporate social responsibility (Patten, 2019), offers valuable insights to assess the trend of CSR spending by public sector organisations. According to Deegan (2002), legitimacy theory suggests that organisations engage in CSR to maintain their legitimacy and gain societal acceptance. By spending in CSR, organisations demonstrate that they are operating in the best interest of the public (Patten, 2019). The public sector organisations operate in a complex environment, where they are accountable to multiple stakeholders, including community, government, and regulatory agencies (Blagoycheva, 2018). Spending their funds on CSR activities demonstrates their commitment to addressing social and environmental concerns, and enables them to maintain their legitimacy (Patten, 2019). Generally, legitimacy theory provides a lens to assess trends in CSR spending by highlighting the importance of organisations' maintaining legitimacy and gaining social acceptance.

2.1.2 Resource Dependency theory

Resource dependency theory asserts that organisations are dependent on external resources to survive (Kholmuminov et al., 2019). According to this perspective, public sector organisations spend on CSR activities to establish and maintain resource dependencies with external sources such as public funding, grants, revenue collected from customers, and credit supplies. This dependence influences their behaviour and decision-making processes (Davis & Cobb, 2010). In the context of CSR spending, organisations may perceive a need to invest in CSR to maintain a positive relationship with their customers, who contribute to their revenue generation. Further, the resource dependency theory suggests that organisations aim to reduce their dependence on external stakeholders, such as customers, by establishing a favourable image and reputation in society (Raza et al., 2020). Moreover, based on dependency theory, Lymo and Gindo (2022) highlight that organisations may engage in CSR spending as a strategic response to pressures from their resource providers. For example, customers, as one of the external sources of revenue for public sector organisations, can influence their decision to spend on CSR activities. If customers increase or change priority on certain CSR demands, organisations may direct their spending to such CSR activities to maintain their customer base.

2.2 Empirical Literature Review on the Trend of CSR Spending

2.2.1 Trend of Corporate Social Responsibility Spending

Numerous studies, e.g. Kavitha(2018), Choudhary (2019), Jain and Gupta (2019), Kumar and Tripathi (2019), Manisha (2019, and Sharma (2020) assess the trends of CSR spending, shedding light on the patterns and dynamics within organisations' spending towards CSR activities. These studies provide valuable insights into the changing landscape of CSR spending and offer a glimpse into organisations' CSR investment decisions in profit-making organisations.

Currently the societal expectations regarding CSR have grown, and organisations have recognised the importance of demonstrating their commitment to social and environmental causes (Manisha, 2019). This trend is evident across various industries and geographical locations. For example, Schaltegger and Wagner (2011) found a consistent upward trend in CSR spending among European companies over a 15-year period. Similarly, studies conducted in other regions, such as Asia and North America, have documented a steady rise in CSR investments by organisations (Forbes & McIntosh, 2011; Pandya & Zalavadia, 2020).

Also studies, e.g. Haile and Niño-Zarazúa (2018), highlight the diversification of CSR spending across different dimensions, arguing that organisations have expanded their CSR activities beyond

traditional philanthropy to include initiatives related to environmental sustainability and community development, which reflects a broader recognition of the interconnectedness between social, environmental, and economic factors. Also, Pandya and Zalavadia (2020) argue that stakeholder engagement can shape the trend of CSR spending by organisation, as organisations can actively seek input from various stakeholders, including employees, customers, investors, and communities, to identify and prioritise their CSR activities. This may reflect a shift towards more inclusive and participatory approaches in CSR decision-making.

Another trend observed in the literature is the variation in CSR spending, studies, e.g. Jamali et al. (2020), argue that the variations in the trend on CSR spending are influenced by cultural, institutional and regulatory differences between countries. Similarly, studies in emerging economies, such as India (Kavitha, 2018; Kumar & Tripathi, 2018), Nigeria (Musa et al., 2019), and Indonesia (Widiastuty & Soewarno, 2019) highlight that the differences in CSR spending are caused by local cultural norms, government regulations, and stakeholder expectations. Further, study by Sánchez-Hernández et al. (2020) on CSR spending and revenue collection efficiency trend in Europe found that Nordic countries prioritise environmental initiatives, while Southern European countries focus more on social activities.

Generally, trends on CSR spending provide valuable insights into organisations' commitment to CSR. It may also highlight the increasing and variation on CSR spending, and difference in CSR activities financed. Understanding these trends informs organisations, policymakers and researchers on addressing societal and environmental challenges through CSR.

2.2.2 *Dimensions of Corporate Social Responsibility Activities*

Corporate social responsibility encompasses a wide range of activities that can be undertaken by organisations (Arsic et al., 2017). Understanding the dimensions of CSR in public sector organisations sheds light on the multifaceted nature of CSR activities and their significance for organisations. In 1997, Elkington introduced the Triple Bottom Line (TBL) framework which gives foundation on CSR dimensions (Ksiezak & Fischbach, 2018). According to Elkington and Rowlands (1999), there are three dimensions of CSR which are; social responsibility, environmental responsibility and economic responsibility. Further Ajiake (2015) argues that not-for-profit public sector organisations typically prioritise social and environmental objectives rather than economic goals. Their primary purpose is to serve the public interest, address societal needs, and provide public goods and services rather than making profit. As such the economic dimension of CSR may not be applicable to them.

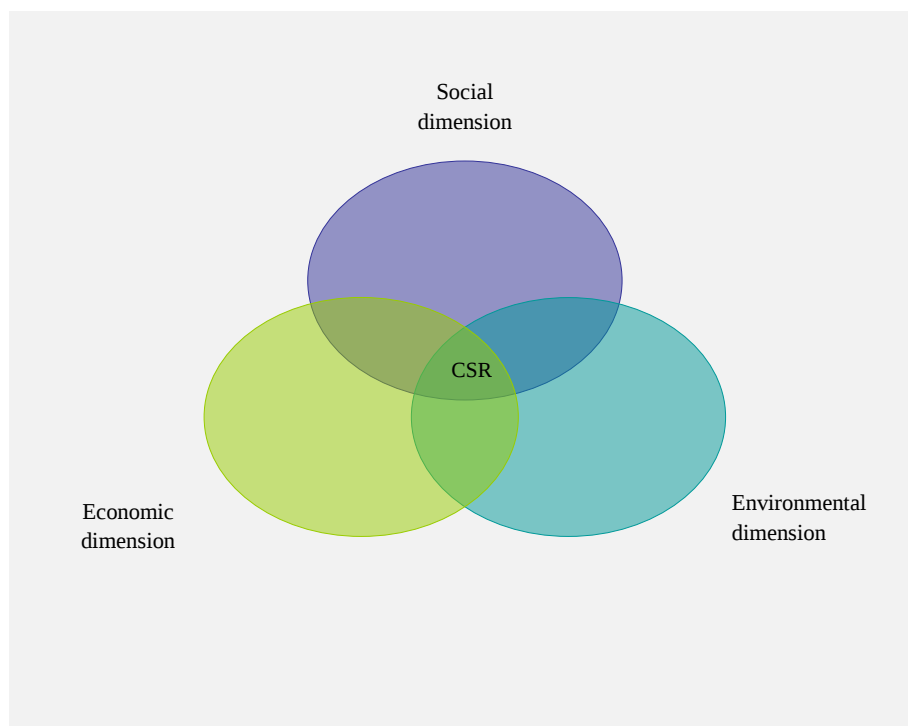
Another CSR dimension under TBL is the environmental dimension which focuses on organisations' commitment to address environmental challenges and promote sustainable practices (Ksiezak & Fischbach, 2018). It involves a range of activities aimed to minimise negative environmental impacts and foster long-term ecological balance. In the context of WSSAs, these organisations have responsibility to ensure sustainable management and use of water resources while minimising negative environmental impacts (Biswas et al., 2020). They can engage in various environmental CSR activities. This can include promoting public awareness campaigns about the importance of water conservation, implementing water-saving technologies in infrastructure, and offering incentives for water-efficient practices (Pan et al., 2021). Furthermore, WSSAs can focus on reducing their carbon footprint by adopting sustainable practices in their operations. This can involve using renewable energy sources to power water treatment and pumping facilities, optimising energy efficiency in their processes, and implementing measures to reduce greenhouse gas emissions (Shahzad et al., 2020).

Water supply and sanitation authorities can also prioritise the protection and preservation of natural ecosystems and biodiversity (Ahmed et al., 2019). This can be achieved by implementing sustainable water management practices that ensure the maintenance of healthy aquatic habitats and the preservation of biodiversity within water sources. Additionally, these organisations can work towards reducing

pollution and contamination of water bodies by implementing proper waste management systems and promoting responsible disposal of hazardous substances (Ardito et al., 2018). Also, collaboration with stakeholders is crucial for the environmental dimension in WSSAs. Engaging with customers, local communities, and regulatory bodies can help in identifying and addressing environmental concerns, fostering transparency, and ensuring that decisions and actions align with the interests of the environment and society (Pan et al., 2021). These initiatives not only support long-term ecological balance but also enhance the reputation and credibility of organisations in the eyes of stakeholders.

Furthermore, the social dimension of CSR activities is centred on addressing societal challenges and promoting social wellbeing (Książak & Fischbach, 2018). It involves a range of initiatives aimed at creating a positive impact on society. This dimension encompasses activities such as education, healthcare and community development, (Crane et al., 2019). The social dimension of CSR activities in WSSAs involves initiatives aimed at addressing social challenges and improving the wellbeing of communities. These activities are designed to ensure equitable access to clean water and sanitation services, promote public health, and foster community development (Biswas et al., 2020).

Lastly, CSR activities within the social dimension of WSSA can involve community engagement and participation. WSSA may actively involve local communities in decision-making processes, seeking their input and feedback on water supply and sanitation projects. By engaging communities, WSSA can gain a better understanding of their specific needs and preferences, which can lead to more effective and sustainable water and sanitation solutions (López-Concepción et al., 2022). Additionally, WSSA's social dimension of CSR activities may encompass public health and hygiene promotion (JICA, 2021). WSSA can invest in educational programmes and awareness campaigns to promote good hygiene practices and raise awareness about the importance of clean water and proper sanitation. By focusing on public health, WSSA can contribute to reducing waterborne diseases and improving overall community wellbeing. Therefore, by undertaking these CSR dimensions, WSSA can contribute to positive social change, better community wellbeing, and the achievement of sustainable development goals related to water supply and sanitation services. Figure 1 present the dimensions of CSR based on the TBL.



Source: Ksiezak and Fischbach (2018)

Figure 1. Dimensions of Corporate Social Responsibility

3. Method

3.1. Sample

In this study, a sample of 114 WSSAs was purposively selected from a targeted population of 120 WSSAs in Tanzania. The choice to use purposive sampling was based on the fact that it allow the researcher to set specific criteria to select the sample sufficient to conduct the study (Creswell, 2014). Additionally, it is a time and cost-effective sampling technique compared to probability sampling, as it focuses resources on a targeted participant group (Leavy, 2022). Therefore, a sample of 114 WSSAs was selected based on the following criteria: firstly, WSSAs established before 2015 as our study covered the period of five years from 2015 to 2019; secondly, disclosure of CSR activities and spending for each financial year. This balanced information facilitated observation of the same units over time, reducing effects from unit heterogeneity (Baltagi, 2021). Further a sample of 114 WSSAs observed in five years was an appropriate sample to conduct this study. According to Hair et al. (2015), an appropriate sample can be established based on the representativeness of the population. In our study the sample size represent 95 per cent of the population, which is above 50 per cent. Therefore, based on representative of sample size, our sample size of 114 WSSAs was adequate to conduct this study.

3.2. Data Collection Procedure

The documentary review method was employed to collect data for this study. Document review, also referred to as document analysis, is a research approach involving systematic examination, interpretation, and analysis of diverse documents for research purposes (Taherdoost, 2021). This method is commonly used in social sciences, humanities, and other fields to extract data, gain insights and address research objectives (Saunders et al., 2012). The documentary review was an appropriate data collection method for this study due to the ready availability of required data to conduct this study in the annual reports of WSSAs. Also, documentary review is a cost-effective method as it utilises existing documents and allows analysis of a large sample size (Honorene, 2017).

The following procedures were employed in applying the documentary review method: First, secondary data sources were identified, namely the annual reports of each WSSA for the period of five years; relevant sections containing the required information (CSR spending, types of CSR activities) were identified within the documents. Second, a data spread sheet was developed, encompassing the identified variables of interest and the respective years. Lastly, the extracted data were reviewed for consistency and cross-referenced with other sections of the annual reports to ensure accuracy.

3.3. Data analysis

Descriptive analysis was applied in this paper, specifically a Line graph to assess the trend of CSR spending for the period of five years. Line graphs are one of the common tools used in descriptive analysis to visually represent trends and patterns in data over time or across different categories (Leavy, 2022). The use of a Line graph was appropriate in this paper because, unlike other descriptive methods, e.g. bar charts or scatter plots, Line graphs specifically highlight changes, which is crucial when analysing trends over a period.

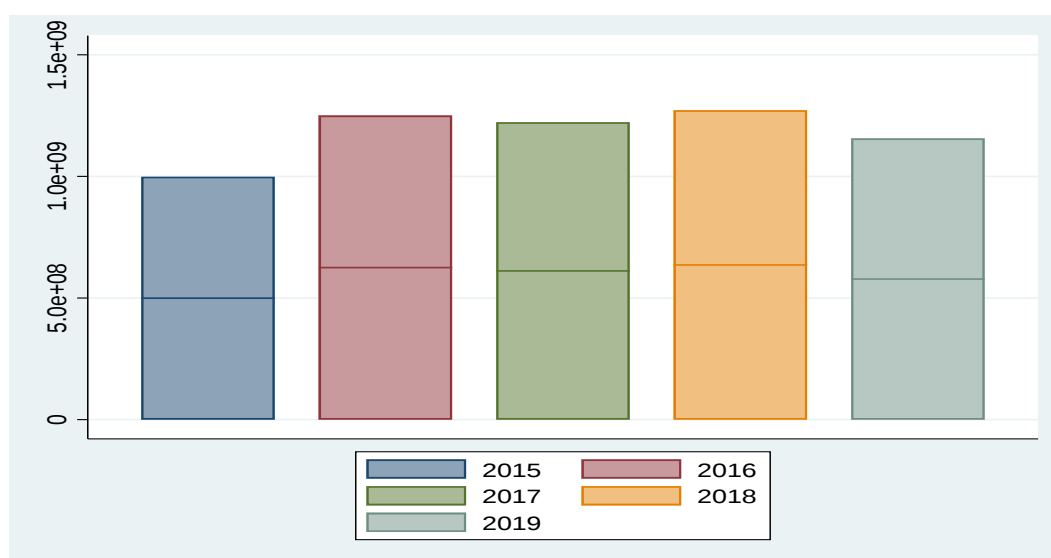
Thus, the trend of CSR spending was assessed based on the average score movement on each financial year to indicate whether there was any variation on CSR spending. Also, a paired t-test was applied to check whether the change in CSR spending from one period to another was significant. A paired t-test was suitable in this study because data compared were for the same entities (WSSAs) over multiple time periods (Creswell, 2012). The paired t-test helps determine if there is a statistically significant difference between the CSR spending amounts in each pair of consecutive years. The significant changes were identified based on the p-values obtained from the t-test results.

4. Results

4.1 Test of the Assumptions underlying the Descriptive Analysis and T-test

4.1.1 Outliers and Missing Values

We tested for outliers using box plot and missing values in our data set using the ‘missing lists’ command in STATA software version 15.0. No missing values were found, which means that CSR spending for each WSSA in each financial year was captured. Further, box plot findings in Figure 2 indicate the absence of outliers in our data set. It is important to test for outliers in a study before conducting further analysis as it can distort statistical measures such as means, variances and correlations, leading to biased estimates and misleading conclusions. By identifying and addressing outliers, researchers can ensure the accuracy and reliability of the results (Baltagi, 2021).



Source: Researcher (2023)

Figure 2. Test for Outliers (CSR spending in Million)

4.1.2 Normality test

Normality of data was checked by performing a skewness and kurtosis test. The results in Table 1 indicate that all skewness for all observations in each year was less than ± 2 , and the kurtosis was less than ± 3 , indicating a normal distribution of observations in each year. Hair et al. (2015) suggest a rule of thumb for skewness and kurtosis that data are considered to be normal if skewness is between ± 2 to ± 3 , and kurtosis between ± 3 to ± 3 .

Table 1. Skewness and Kurtosis Tests for Normality

Year	Observation	Skewness	Kurtosis
2013-2014	114	0.0000	0.0000
2014-2015	114	0.0000	0.0000
2015-2016	114	0.0000	0.0015
2016-2017	114	0.0000	0.0010
2017-2018	114	0.0000	0.0167
2018-2019	114	0.0007	0.0044

Source: Researcher (2023)

Therefore, from Table 1 the data were normally distributed which allows the use of parametric tests such as the t-test to assess whether the change of CSR spending in each financial year was statistically significant. According to Wursten (2018), adhering to normality assumptions when using parametric tests ensures the validity and reliability of the findings.

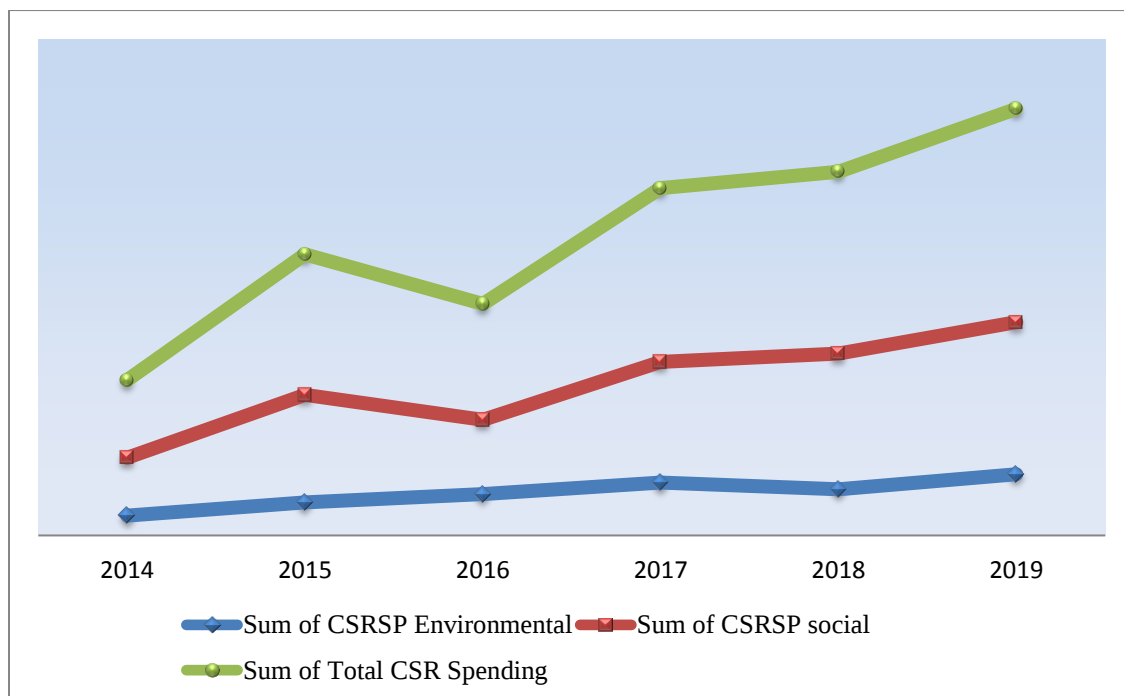
4.2 The Trend on Total Corporate Social Responsibility Spending by WSSAs

Figure 3 presents the trend of total amount spent on CSR activities by WSSAs for five years, and Table 2 shows results of paired sample test. Generally the Line graph in Figure 3 shows an increasing trend on CSR spending by WSSAs over the period of five years. The trend reveals increase of average amount spent on both social and environment CSR activities during 2015. The increase trend on average spending on CSR activities during 2015 may be attributed by the fact that this was an election period, and during this time several social projects were implemented by the government, either using its own funds or through donations. Similarly, Gulenko and Flagmeier (2023) also found that, during the election period, CSR spending increased by 15-23% compared to non-election years in the German banking industry.

Also, the increase in CSR spending in 2015 could be that many stakeholders called for financial support for social-related activities, including education and healthcare. Public organisations were expected to contribute as a means of supporting the government efforts to gain stakeholder confidence and potentially win elections. Consequently, CSR spending was notably high during this period.

Figure 3 shows a sharp decrease in average spending on CSR activities during the year 2016. The decrease in average spending during 2016 may be associated with decrease in revenue collection by most authorities. As can be noted in Figure 4, the average revenue collection in 2016 decreased by 6.4 percent as compared to year 2015. Decrease in revenue collection can affect financing capability of the authorities. Consequently, authorities reduced financing some of non-revenue generating activities, including CSR activities. During this period, most organisations concentrated on financing economic activities to generate revenue and hence revive their financing ability.

The gradual increase in average CSR spending observed from 2017 to 2019 indicates the growing recognition of the importance of CSR investment by WSSAs which, among others, triggered increase in CSR spending during the year 2017 through 2019. This increase could have been influenced by the availability of financial resources to the authorities. As is shown in Figure 3, during 2017 through 2019, revenue collection increased, which implies the availability of cash inflow to authorities. Similar results were reported by Julian and Ofori-Dankwa (2013) and Verma and Kumar (2014).



Trend on CSR spending is presented in the following Figure.

Figure 3. Trend on CSR Spending (in Million)

Source: Researcher (2023)

In addition to the Line graph in Figure 4, the t-test was done to determine whether the changes in spending were significant or not. The paired t-test results in Table 2 indicate significant change in CSR spending in the financial year 2015. This change suggests a notable increase in the spending on CSR investment during the year 2015 compared to the previous year. As has been explained in the preceding sections, significant increase in spending depicted in Table 1 is associated with increase in revenue collection during that period.

Although in financial year 2016 there was a decrease in CSR spending trend, the decrease was not significant. The t-test results reveal the p-value of CSR spending in 2016 financial year to be greater than 0.05. Moreover, the increase in spending in financial years 2018 and 2019 was not significant, implying that there were slight changes in CSR spending between years. The only significant increase in spending was in financial year 2015 and 2017. This situation may suggest an increase in recognition of importance of CSR by water authorities. This recognition has led to significant increase in financial support to the related CSR activities. Table 2 below summarises the extent of changes in CSR spending for the period of five years.

Table 2. Paired Samples T- test: CSR Spending

Year	Observation	t-value	p-value	effects
2015	114	4.339	0.000***	Increase
2016	114	2.499	0.119	Decrease
2017	114	3.636	0.001***	Increase
2018	114	0.631	0.329	Increase
2019	114	0.351	0.511	Increase

Source: Researchers' survey data (2023). Robust standard errors are reported in parentheses. *p<0.10, **p<0.05 and ***p<0.01

Although there were general increase in spending trend on CSR, the increase in spending trend was not significant for most of the years, suggesting that authorities may be approaching CSR more as a compliance obligation than a strategic commitment. This lack of substantial increase in spending may be indicative of failure to integrate CSR into overall organisational strategies. It could also reflect a short-term perspective and a lack of sufficient stakeholder pressure. To address this, organisations should reassess their CSR strategies, ensuring a more comprehensive CSR integration into organisation practices. Figure 4 below shows the trend on Revenue Collection Efficiency (RCE) by WSSAs for the period of five years.

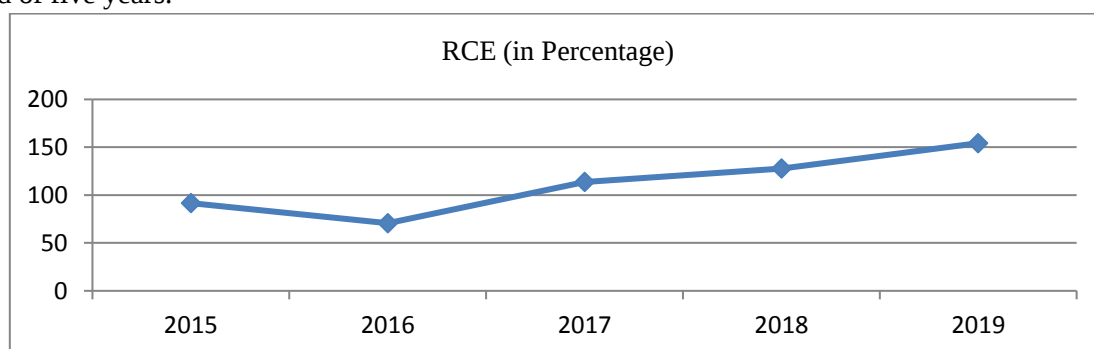


Figure 4. Trend on revenue collection efficiency

Source: Researcher (2023)

Generally, the observed trends and t-test results emphasise the nuanced nature of CSR spending reflecting organisational commitments. The significant increases in 2015 and 2018 suggest a heightened awareness of CSR importance. However, the overall lack of significant increases in spending raises concerns about the commitment of water authorities to CSR initiatives, emphasising the necessity of enforcement mechanisms through policy interventions.

4.3 *The Trend on Corporate Social Responsibility Spending: Based on CSR Dimensions*

Having discussed the findings on total CSR spending by WSSAs, we now turn our attention to discuss the trend on CSR spending based on, first, the dimensions of CSR observed to have a comprehensive understanding of the main CSR dimension water authorities engaged. Then, we break down the dimensions to specific CSR activities in order to understand the priorities in CSR fund spending.

Figure 3 above shows that WSSAs spend their CSR funds in two dimensions: social and environmental. The findings indicate that, over a period of five years, there has been a gradual increase in the total amount spent on the CSR social dimension, while the environmental dimension displays a slightly decrease. This reflects a strategic choice to addressing social concerns aligns with the expectation that public sector entities contribute to the wellbeing of the communities they serve. The unexpected emphasis on the Social dimension over the Environmental dimension, despite the nature of water supply and sanitation authorities, could be attributed to various factors. It may indicate a response to immediate and visible community needs, the influence of stakeholder expectations, or a reflection of the perceived impact of social initiatives on legitimacy.

Furthermore, the findings that, from 2017 through 2019, there was a gradual increase in spending on social activities, while spending on environmental activities remained almost steady, indicate a shift in CSR investment priorities by WSSAs. This pattern suggests that, during this period, WSSAs demonstrated an increased commitment to addressing social issues. The steady spending on environmental activities implies a relative stability in the allocation of funds to these initiatives. The notable upward shift in spending on both social and environmental CSR activities in the year 2017 is particularly interesting. This increase could be attributed to various factors, such as changes in stakeholder expectations, or specific events that prompted increased CSR investment. The findings imply responsiveness in the CSR spending trends of WSSAs to evolving community needs.

Apart from the dimension of CSR, we also assessed the distribution of financial resources among various CSR activities undertaken by WSSAs. Figure 5 shows that, from the two dimensions (social and environmental) CSR activities, WSSAs spend their fund specifically to the following activities; health, educations, sports and festival, community development projects, disaster management and environmental. It was also found that the amount spent on each CSR activity varies. In particular, WSSAs spend more on education followed by environmental, community development projects, health, disaster management, sport and cultural festivals. This distribution reflects a prioritisation of CSR areas by WSSAs. Similar to Jain and Gupta (2019), we found that education, community development and environment were the major areas where CSR spending was high. The legitimacy theory supports this finding by asserting that organisations engage in CSR activities to maintain legitimacy and gain societal acceptance. By investing in education, environmental conservation, and community development, WSSAs align their CSR efforts with societal expectations, demonstrating a commitment to social responsibility and addressing community needs, thereby enhancing their legitimacy and acceptance. The following figure shows the CSR activities with their percentages share on CSR spending.

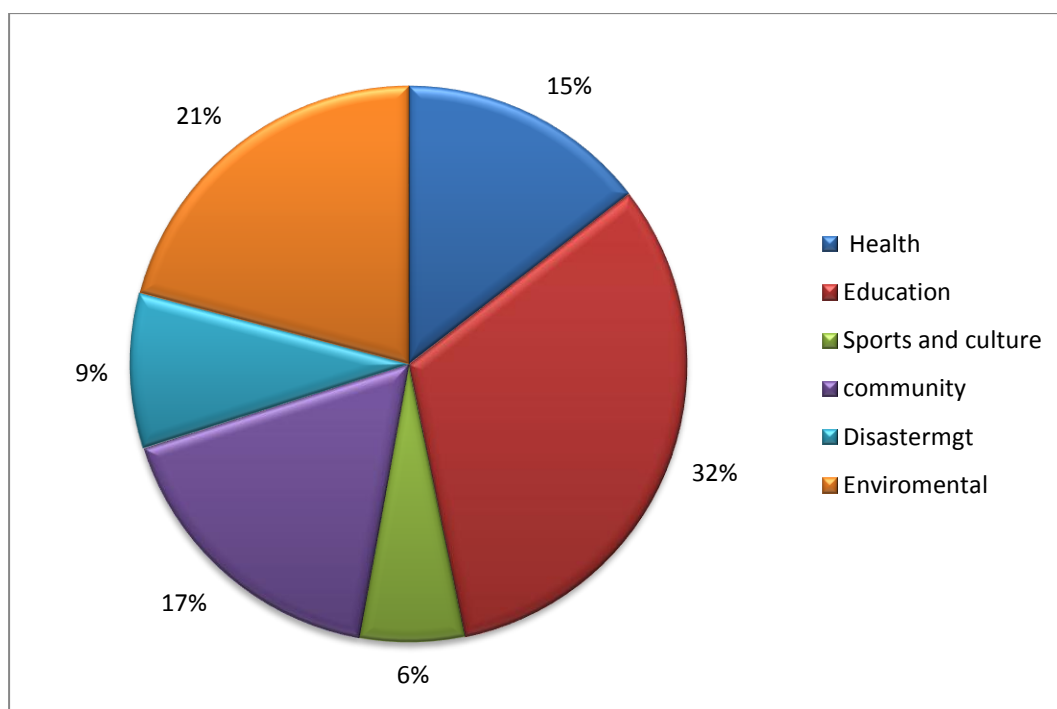


Figure 5. Dimension on CSR Spending (in Million TZS)

Source: Researcher (2023)

5. Discussion

The findings of this paper highlight the trend of CSR spending by WSSAs in Tanzania from 2015 to 2019. In general, the study indicated the gradual increase in CSR spending by WSSA in Tanzania. The WSSAs allocated their CSR funds towards various social and environmental activities. The areas that received the highest CSR spending were education, followed by environment contribution. On the other hand, sports and cultural festivals received the least amount of CSR funding. The higher CSR spending on education can be attributed to the limited capacity of the government to provide this essential service to the underprivileged population. By contributing more in education area, WSSAs aim to support the government's initiatives in promoting social and economic development within the country.

The results also have policy and practical implications. The finding that WSSAs spend more on the social dimension of CSR compared to the environmental dimension in each year highlights the prioritisation of social responsibility initiatives. This indicates a conscious effort to address societal needs and contribute to the wellbeing of the communities they serve. Furthermore, the observed gradual increase in total CSR spending over the five-year period, as depicted in the Line graph, showcases a positive trend in the commitment of WSSAs towards CSR activities. These findings suggest that WSSAs are recognising the importance of corporate social responsibility and its potential impact on stakeholder relations and operation of the organisations.

The policy implications call for continued support and encouragement of WSSAs to focus on socially responsible practices, while also emphasising the need to integrate environmental concerns more comprehensively into their CSR strategies. Practically, the results emphasise the significance of CSR planning and resource allocation to ensure a consistent and impactful approach to CSR spending. By balancing social and environmental dimensions and maintaining a steady growth in CSR investment, WSSAs can effectively contribute to the wellbeing of society and achieve their operational goals.

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