

**CORPORATE SOCIAL RESPONSIBILITY AND FIRM'S
PERFORMANCE: A STUDY OF PPF PENSIONS FUND (PPF):
DAR ES SALAAM HEADQUARTERS**

**CORPORATE SOCIAL RESPONSIBILITY AND FIRM'S PERFORMANCE:
A STUDY OF PPF PENSIONS FUND (PPF); DAR ES SALAAM
HEADQUARTERS**

By

Paulina H. Msanga

**A Dissertation submitted in Partial fulfillment of the Requirement for the
Award of the Degree of Master of Business Administration (MBA-Corporate
Management) of Mzumbe University**

2013

CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled **Corporate Social Responsibility and Firm’s Performance: A study of PPF Pensions Fund; Dar es Salaam Headquarters**, in partial fulfillment of the requirements for award of the degree of Master of Business Administration (MBA-CM) of Mzumbe University.

Signature

Major Supervisor

Signature

Internal Examiner

Accepted for the Board of School of Business

.....

Signature

DEAN/SCHOOL BOARD

DECLARATION

AND

COPYRIGHT

I, **Paulina H. Msanga**, declare that this dissertation is my own original work and that it has not been presented and will not be presented to any other University for a similar or any other degree award.

Signature -----

Date -----

©

This dissertation is a copyright material protected under the Berne Convention, the Copyright Act, 1999 and other international and national enactments, in that behalf, on intellectual property. It may not be reproduced by any means in full or part, except for short extracts in fair dealings, for research or private study, critical scholarly review or discourse with an acknowledgement, without the written permission of Mzumbe University, on behalf of the author.

ACKNOWLEDGEMENTS

I would like to express my very great appreciation to Dr Hawa Petro Tundui, my research Supervisor for her valuable and constructive suggestions during the planning and development of this research work. Her willingness to give me time is generously appreciated.

I would also like to extend my gratitude to my work colleagues of PPF, Eastern and Central Zone.

Finally, I wish to thank my parents for their support and encouragement throughout my study.

DEDICATION

This research work is dedicated to my loving parents Dr.& Mrs. Heriel Msanga.

LIST OF ABBREVIATIONS AND ACRONYMS

BAT	British American Tobacco
BP	British Petroleum
CM	Corporate Management
CSR	Corporate Social Responsibility
FGDs	Focus Group Discussions
NGOs	Non-government Organisations
PPF	Parastatal Pension Fund
SPSS	Statistical Package for Social Sciences

ABSTRACT

Corporate Social Responsibility (CSR) has the potential to make positive contributions to the development of society as businesses and organizations see the benefits from setting up strategic CSR agenda. The increasing attention to CSR is based on its capability to influence firms' performance. PPF being among the pensions Funds has gone to the extent of practicing CSR to the communities around it such as helping the vulnerable children and women to mention a few. The general objective of the study was to examine the effect of CSR on PPF performance at Dar es Salaam headquarters.

The study utilized a cross-sectional research design in collecting the data. The sample size of 55 respondents comprising of PPF officials, low cadre employees in public relations manager's office and beneficiaries/customers was selected. Data collected were analysed and processed using descriptive statistics through Statistical Package for Social Science (SPSS) computer software.

The findings from the study revealed that PPF enhanced its CSR policy which is in line with government policies in order to address community needs, improved staff welfare through the provision of loans, enhanced staff morale through training, provided bonuses and built community acceptance something that influenced the practice of CSR as reported by respondents. However, through practicing CSR, PPF was able to enhance its product quality, customer care and instituted ethical advertizing and sound systems to guide investment decisions. Also, CSR contributed to the reduction of public relation costs, contributed to pension Fund's profitability and financial performance as customers became satisfied and enrolled more to meet PPF targets.

From the findings, it is recommended that the fund should align its CSR with financial priorities in order to enhance pension fund's profitability and financial performance. The researcher argues for the enhancement of CSR practices to the needy along with other stakeholders' collaboration for the successful implementation of organisation's goals.

TABLE OF CONTENTS

CERTIFICATION	i
DECLARATION	ii
COPYRIGHT	ii
ACKNOWLEDGEMENTS	iii
DEDICATION.....	iv
LIST OF ABBREVIATIONS AND ACRONYMS	v
ABSTRACT	vi
TABLE OF CONTENTS	vii
LIST OF TABLES	x
LIST OF APPENDICES	xi
CHAPTER ONE	1
INTRODUCTION AND BACKGROUND INFORMATION	1
1.0 Introduction.....	1
1.1 Background of the problem	1
1.2 Statement of the problem.....	4
1.3 Research Objectives	5
1.3.1 General objective.....	5
1.3.2 Specific objectives.....	5
1.4 Research questions	6
1.5 Significance of the study	6
1.6 Scope of the study	6
1.7 Limitations of the study.....	6
1.8 Structure of the study.....	7
CHAPTER TWO	8
LITERATURE REVIEW	8
2.0 Introduction.....	8
2.1 Theoretical literature review	8
2.1.1 Quality of life and standard of living	10
2.1.2 The Integrative Theory of the Quality of Life	12
2.1.3 Theories to explain Corporate Social Responsibility	16

2.1.4	Theories on Firm's Performance.....	19
2.1.5	Theoretical Studies	20
2.2	Empirical literature review	24
2.3	Identified Research Gap	27
CHAPTER THREE		28
RESEARCH METHODOLOGY		28
3.0	Introduction.....	28
3.1	Study Area	28
3.2	Research Design.....	28
3.3	Population and sample size.....	29
3.4	Sampling techniques.....	30
3.4.1	Purposive sampling	30
3.4.2	Stratification sampling.....	30
3.5	Data collection methods	30
3.5.1	Primary data collection methods.....	30
3.5.2	Secondary data collection methods.....	32
3.6	Data analysis techniques.....	32
CHAPTER FOUR.....		33
PRESENTATION AND DISCUSSION OF THE RESEARCH FINDINGS.....		33
4.0	Introduction.....	33
4.1	Respondents' Response Rate	33
4.2	Circumstances that influence the practice of CSR by PPF.....	33
4.3	Methods used by PPF to practice CSR.....	36
4.4	Effects of CSR on PPF performance	38
CHAPTER FIVE		41
SUMMARY, CONCLUSION AND RECOMMENDATIONS		41
5.0	Introduction.....	41
5.1	Summary.....	41
5.2	Conclusion	43
5.3	Recommendations	43
5.4	Policy implication	44
5.5	Areas for further research	44

REFERENCES	45
APPENDICES.....	50

LIST OF TABLES

Table 3.1: Distribution of respondents.....	29
Table 4.1: Circumstances that influence CSR practices	34
Table 4.2: Methods used by PPF to practice CSR.....	37
Table 4.3: Effects of CSR on PPF performance.....	39

LIST OF APPENDICES

Appendix 1: QUESTIONNAIRES FOR BENEFICIARIES/CUSTOMERS	50
Appendix 2: Interview Guide questions PPF officials.....	54

CHAPTER ONE

INTRODUCTION AND BACKGROUND INFORMATION

1.0 Introduction

This chapter provided the blue print to the examination of corporate social responsibility and firm's performance with reference to PPF Pensions Fund (PPF), Dar es Salaam Headquarters. It describes the background to the problem; states the problem statement; research objectives and questions; the significance; the scope, limitations and structure of the study.

1.1 Background of the problem

Corporate Social Responsibility (CSR) is becoming a very important issue in business administration (Fiori *et al.* 2007). CSR has the explicit sense of voluntary, self interest driven policies, programmes and strategies by corporations addressing issues perceived as being part of their social responsibility by the company/organisation or its stakeholders (Debroux, 2009). CSR has been attracting heightened attention throughout the world. Many entities engage in CSR and spend huge amounts of money in their commitments to the community, workplace and the marketplace (Mugisa, 2011). CSR has the potential to make positive contributions to the development of society and businesses, and organisations are beginning to see the benefits from setting up strategic CSR agenda. The increasing attention to CSR is based on its capability to influence firms' performance (Harpreet, 2009).

In essence, CSR may be described as an approach to decision making which encompasses social, economic and environmental factors (Mugisa, 2011). It can therefore be inferred that CSR is a deliberate inclusion of public interest into corporate decision making, and the honoring of a triple bottom line which are people, profit and planet (Harpreet, 2009). CSR has been defined in various ways.

CSR has been defined 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 (Green Paper Promoting a European Framework for Corporate Social Responsibility, 2001). Helg (2007) also defines CSR as the set of standards to which a company subscribes in order to make its impact on society. Majority of these definitions integrate the three dimensions; social, economic and environmental aspects into the definition, what is usually called the triple bottom line. The triple bottom line is considering that companies do not only have one objective (i.e. profitability) but that they also have objectives of adding social and environmental value to society (Mirfazli, 2008). However, the performance of business organizations is affected by their strategies and operations in market and non-market environments. Hence, there is a debate on the extent to which company directors and managers should consider social and environmental factors in making decisions (Helg, 2007).

CSR is a social practice which tends to be embedded in a particular social, economic, cultural, historical and institutional structure (Midttun *et al.*, 2006). CSR is viewed as a potential mechanism which can be used to mobilise meaningful organisational changes leading to less unethical and unsustainable business practices (Dey, 2007). However, notwithstanding the increasing attention being given to CSR in the literature as a postulate for accountability and for the promotion of ethical and responsible business practices, most studies have been primarily Western-centric (Campbell, 2004). Although, over the last decade or so, there have been an increasing number of studies focusing on CSR issues in developing countries (Belal, 2008). Studies on CSR have shown that there has been increasing public pressure from bodies (such as governmental organisations, non-government organisations (NGOs), academics, trade unions and the media) for corporations to act in a socially and environmentally responsible way (Moon and Vogel, 2008). Such pressure has to some extent had an impact on CSR, as they have created a 'legitimacy gap', which provide a significant motivation for companies to engage or attempt to engage in responsible business practices in order to acquire or maintain legitimacy (Waddock, 2004).

Important to note is that whilst the primary role of business is to produce goods and services that society needs, there is also necessity for interdependence between business and society for a stable environment. The forms of social responsibility that a firm undertakes depend on its economic perspective as business has long been guided by and pursued the profit motive (Boron, 2000). Shareholders, investors and stakeholders at large make most of their investment decisions basing greatly on the business performance of an entity. For decades since the early 70's, there is a protracted debate about the legitimacy and value of corporate responses to CSR concerns. For example, Murphy (2005) described CSR as being 'little more than a cosmetic treatment,' and Santiago (2004) reports advantages of practicing CSR. On the other hand, Waddock and Graves (1997) find that increased CSR leads to enhanced business performance. Moreover, it is argued by Santiago (2004) that CSR investment improves responsible employee relations, environmental policies and product strategies substantially contributes to reducing firms' cost of equity. Waddock and Graves (1997) show that firms related to two "sin" business sectors, namely, tobacco and nuclear power appear to observe higher equity financing costs. Their findings support arguments in the literature that CSR enhances firm value (Boron, 2000).

Some of the positive outcomes that can arise according to Dey (2007) when businesses adopt a policy of corporate social responsibility include; a) Company benefits e.g. improved financial performance; lower operating costs; enhanced brand image and reputation; increased sales and customer loyalty; greater productivity and quality; more ability to attract and retain employees; reduced regulatory oversight; access to capital; workforce diversity; and product safety and decreased liability; b) Benefits to the community and the general public e.g. charitable contributions; employee volunteer programmes; corporate involvement in community education, employment and homelessness programmes; product safety and quality; and c) Environmental benefits e.g. greater material recyclability; better product durability and functionality; greater use of renewable resources; and integration of environmental management tools into business plans, including life-cycle assessment and costing, environmental management standards, and eco-labelling.

However, the substantial rise of CSR practices has recently fuelled research on the relationship between CSR and financial performance. To date, this line of research has produced mixed findings on the CSR effect (Jiao, 2010). These mixed results reflect the contrasting theoretical views on the CSR-financial performance relationship (Campbell, 2004). Most of this prior research focuses on accounting-based or market-based measures of financial performance; few studies examine capital market participants' perceptions of CSR. After reviewing a number of CSR studies, Renneboog *et al.* (2008) conclude that whether CSR has a positive impact on firm's performance remains an open question. They thus join previous calls for research that directly examines how CSR influences firms' cost of equity capital (such as Sharfman and Fernando, 2008).

CSR programmes of PPF Pensions Fund tend to focus on community initiatives as their impact in social, economic and environmental terms is felt greatest at the local level (PPF progress report, 2010). Davis (2005) argued that pension funds, like many other organisations, can be viewed as open systems which receive inputs, convert these inputs into outputs and deliver these outputs to stakeholders. In this perspective pension funds receive inputs (scarce financial resources in the form of contributions and investment funds) and convert these inputs to outputs (pension fund value and retirement benefits) which serve others around from the point of view of CSR. However, little research exists on the CSR and firm's performance regarding PPF.

1.2 Statement of the problem

CSR is titled to aid an organization's mission as well as a guide to what the company stands for and will uphold to its consumers. According to Kotler and Nancy (2005) corporate social responsibility is a commitment to improve community well being through discretionary business practices and contributions of corporate resources. A socially responsible company should supersede its main objective of maximizing its shareholders' wealth. It extends its mandate by undertaking social, economic and environmental activities in society within which it carries out its operations through initiatives such as environment conservation, improving the quality of life of its

employees and society in general and also being transparent in its business operations. In that line, more and more stakeholders are being drawn towards socially responsible companies because of these initiatives (Mugisa, 2011).

While targeting workers in formal and informal sectors, PPF has gone to the extent of practicing CSR to the communities around it such as helping the vulnerable children, women and the construction of classes, health, HIV/AIDS related issues to mention a few. Despite these externalities from PPF, there have been researches carried out on CSR in the country and scholars have tended to focus on what CSR is, public perceptions and the relevancy of established CSR practices. To the researcher's knowledge, few or no study has focused on CSR and firm's performance with regards to PPF. Therefore, an examination of CSR to the PPF performance is of great importance. This is the gap the researcher tries to fill in using PPF as a case study.

1.3 Research Objectives

The objectives of this study were divided into two main types, that is; general objective and specific objectives as itemized below.

1.3.1 General objective

The general objective of the study was to examine the effect of CSR on PPF performance

1.3.2 Specific objectives

The following were specific objectives:

- i) To find out the circumstances that influence the practice of CSR by PPF
- ii) To identify different methods used by PPF to practice CSR
- iii) To determine the effects of CSR on PPF performance

1.4 Research questions

Research questions for this study were:

- i) What are the circumstances that influence the practice of CSR by PPF?
- ii) What are the different methods used by PPF to practice CSR?
- iii) What are the effects of CSR on PPF performance?

1.5 Significance of the study

The study divulged the facts regarding CSR and PPF performance for the enhancement of the communities the pension fund serves.

This study was very important as it enabled users to use theoretical knowledge in different institutions performing the same and became a reference material for academic endeavours.

The study would help the management to learn how to forge stronger relationships with key suppliers, customers and the community.

This study was important for the researcher for the fulfillment of Master degree in Business Administration (CM) as the requirement of Mzumbe University.

1.6 Scope of the study

The study focused the PPF officials as well as community members (as beneficiaries). The study was intending to examine the effect of CSR on PPF performance at Dar es Salaam headquarters.

1.7 Limitations of the study

The limitations of the study were as follows;

- i) Financial constraints. The financial support was expected from researcher's pocket money which was limited. For that case, the researcher was unable to gather or collect the data from the acceptable response rate of the respective area and offices.
- ii) Response rate. It was expected that the response rate would be low due to respondents being in a hurry, very busy with their daily activities and others were not

at their working place sometimes. However, this was accommodated with day to day follow-ups of respondents.

1.8 Structure of the study

The study consisted of five chapters. The first chapter provided the Background of the problem. The second chapter presented the Literature Review, the third chapter discussed the Research Methodology used, the fourth chapter focused the Presentation and Discussion of the Research findings and the fifth chapter presented the Summary, Conclusion and Recommendations. It ends with the references and appendices attached with this report.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter reviewed the literatures from different studies in order to capture ideas and theories which guided the development of this study. It is based on theoretical literature review and empirical literature review.

2.1 Theoretical literature review

The concept of CSR in its present form originated in 1950's when Bowen wrote on "The Social Responsibilities of a Businessman" (Carroll, 1999). Since then the notion of CSR has come to dominate the society-business interface and many theories and approaches have been proposed. With respect to CSR and firm's financial performance, the literature consists of three principal strands: (i) the existence of a positive correlation between CSR and financial results (ii) the lack of correlation between CSR and financial results; and (iii) the existence of a negative correlation between CSR and financial results (Dey, 2007). Some proponents of the first strand (Griffin and Mahon, 1997) find that investment in CSR have a big return in terms of image and overall, financial result; the related benefits, in fact are bigger than the related costs. Literature reveals the existence of many positive externalities that are linked to CSR in its bid to respond to stakeholders' requirements. Clarkson (1995) and Waddock and Graves (1997) believe that satisfying the interest of stakeholders (shareholders, employees, suppliers, community, environment and so on) and being accountable to them may actually have a positive impact on all firm dimensions, particularly financial performance. Positive reputations have often been linked to positive financial returns. Roberts and Dowling (2002) posit that CSR initiatives can lead to reputation advantage as improvements in invested trust, new market opportunities and positive reactions of capital market would enhance organisation's financial performance.

The idea of the second group of theorists is that there is no relationship between corporate social responsibility and corporate financial performance (McWilliams and Siegel 2000). Waddock *et al.* (1997) explain that a neutral relation may suggest that many variables in the relation between social and financial performance make the connection coincidental. McWilliams *et al.* (2000) find that the firms supplying corporate social responsibility products to their own customers have a different demand curve compared to those with no corporate social responsibility. Ullmann (1985) underlines that no clear tendency can be recorded between connections on social information, social performance and economic results. The main reason for this appears to be the theory's inadequacy, inappropriate keyword definitions and lack of empirical materials. It was observed that important aspects are not just social performance and economic but also "information" about social performance and that only a few studies have analyzed these three dimensional relations (Roberts and Dowling, 2002).

The theory of CSR encourages corporations to take notice not only of the economic and financial dealings in a company, but also the social and environmental consequences at business places on its shareholders and society (McWilliams and Siegel 2000). The Model of CSR advises companies to seek the maximum profits while obeying a moral minimum. This concept of the corporation is viewed to have "placed the community in a position to demand that the modern corporation serve not only the owners or the control but all society" (McWilliams *et al.*, 2000). This idea is effectively today's stakeholder theory and thus in responding to stakeholder expectations of CSR, the chief executive sets the tone and priorities for the firm's actions (Sirsly, 2009). According to this theory, the satisfaction of various stakeholder groups is instrumental for organizational performance (Donaldson and Preston 1995; Jones, 1995). Stakeholder – agency theory argues that the implicit and explicit negotiation and contracting processes entailed by reciprocal, bilateral stakeholder – management relationships serve as monitoring and enforcement mechanisms that prevent managers from diverting attention from broad organizational financial goals (Hill and Thomas 1992; Jones 1995). Furthermore, by addressing and balancing claims of multiple stakeholders (Freeman and Evan, 1990),

managers can increase the efficiency of their organization's adaptation to external demands.

CSR is the continuing commitment by a business to behave ethically and contribute to economic development while improving the quality of life of the work force and their families as well as of the local community and society at large (Moir, 2001). Businesses need to integrate the economic, social and environmental effect in their operations. The concept of CSR means that organizations have moral, ethical, and philanthropic responsibilities in addition to their responsibilities to earn a fair return for investors and comply with the law. However, corporate executives have struggled with the issue of the firm's responsibility to its society (Dey, 2007). It has been argued by Friedman (1970) that the Corporation's sole responsibility is to provide maximum financial return to shareholders while others are of the belief that business owes responsibility to a wide range of groups in the society. A number of theories such as quality of life and standard of living theories are elaborated then CSR theories namely; shareholders' theory, stakeholders' theory and social contracts theory are given.

2.1.1 Quality of life and standard of living

The term *quality of life* (QOL) references the general well-being of individuals and societies. The term is used in a wide range of contexts, including the fields of international development, healthcare, and politics (Cella and Tulskey, 1993). Quality of life should not be confused with the concept of standard of living, which is based primarily on income. Instead, standard indicators of the quality of life include not only wealth and employment, but also the built environment, physical and mental health, education, recreation and leisure time, and social belonging. Standard of living generally refers to the level of wealth, comfort, material goods and necessities available to a certain socio-economic class, in a certain geographic area. An evaluation of standard of living commonly includes the following factors: income, quality and availability of employment, class disparity, poverty rate, quality and affordability of housing, affordable access to quality health care quality and

availability of education, life expectancy, incidence of disease, cost of goods and services to mention a few (Ventegodt *et al*, 2002).

The main difference between standard of living and quality of life is that the former is more objective, while the latter is more subjective. Standard of living factors such as gross domestic product, poverty rate and environmental quality, can all be measured and defined with numbers, while quality of life factors like equal protection of the law, freedom from discrimination and freedom of religion, are more difficult to measure and are particularly qualitative. Both indicators are flawed, but they can help us get a general picture of what life is like in a particular location at a particular time (Cella and Tulskey, 1993). Quality of life (QOL) means a good life. A good life is the same as living a life with a high quality. All great religions and philosophies have a notion of a good life ranging from saying that a good life is attained by practical codes of conduct to requests to engage in a certain positive attitude to life or to search into the depths of your own being. Notions about a good life are closely linked to the culture of which you are a part (Ventegodt, 2003).

These notions can then be divided into three loosely separate groups, each concerned with an aspect of a good life: (1) the *subjective* quality of life is how good a life each individual feels he or she has. Each individual personally evaluates how he or she views things and his or her feelings and notions. Whether an individual is content with life and happy are aspects that reflect the subjective quality of life; (2) the *existential* quality of life means how good one's life is at a deeper level. It is assumed that the individual has a deeper nature that deserves to be respected and that the individual can live in harmony with. We might think that a number of needs in our biological nature have to be fulfilled, that these factors — such as conditions of growth— must be optimized, or that we must all live life in accordance with certain spiritual and religious ideals laid down by the nature of our being and (3) the *objective* quality of life means how one's life is perceived by the outside world. This view is influenced by the culture in which people live. The objective quality of life reveals itself in a person's ability to adapt to the values of a culture and tells us little about that person's life. Examples may be social status or the status symbols one

should have to be a good member of that culture (Objective is used here in the sense of non-subjective or objective facts. Non-subjective is concerned with the external and easily established conditions of life that many observers can rate identically) (Ventegodt *et al*, 2003).

2.1.2 The Integrative Theory of the Quality of Life

a) Well Being

The most natural aspect of the subjective quality of life is well being. The quality of life is seen here in terms of an assessment of one's own quality of life (Ventegodt *et al*, 2002). When we meet other people, we always say, "How are you?" or "How is life?" We are thus asking that person to give us an evaluation of their quality of life. Such questions do not require a lengthy explanation of matters of life, merely a spontaneous assessment of life in general. If, however, we are asked how content we are with life or how happy we are, these questions are assessed differently to such a question as "How are things?" Such questions are much more complex. In other words, satisfaction with life and happiness are deeper dimensions that are not as straightforward as well being.

The question about well being is followed by an explanation for example, if we are told that things are not going well, what was just said may typically be extended, as follows: "Things are not going too well at work (home);" "My health is not what it used to be." This means that well being is closely linked to how things function in an objective world and with the external factors of life. When we speak about feeling good, we do not generally embark on a lengthy discussion of the meaning of life and the deep, existential issues and aspirations we all harbor. Well being is thus something else and more superficial than meaning in life, fulfillment of needs, and self realization (Cella and Tulskey, 1993). Most people tell a lot of people that they feel good, yet only to a very few do people dare open up and take stock of the meaning of our lives.

We have a surface we open up to everybody and a hidden depth to which very few people have access, often not even our conscious selves. The spontaneous self-experienced quality of life might seem such a natural thing that it may be the reason why it has not given cause to serious investigation, let alone reflection.

b) Satisfaction with Life

When people are asked whether they are satisfied with life, they often say that something or other is amiss. People are usually less satisfied with life than their state of well being would indicate. People tend to feel good, but are not very satisfied, just satisfied. In retrospect, there is always something to be dissatisfied or disgruntled about (Ventegodt *et al*, 2003). Being satisfied means feeling that life is the way it should be. When one's expectations, needs, and desires in life are being met by the surrounding world, one is satisfied. Satisfaction is a mental state: a cognitive entity. This symmetry and concord can come about in two ways: either we try to change the external world so that it matches our dreams or we give up our dreams because they are unrealistic, and adapt them to the world as it is, thus creating concord between the external world and our dreams. Both approaches generate the same satisfaction. However, these two strategies of life generate entirely different lives: one life meets with one's dreams and the other life is lived in resignation; but both lives will be satisfactory. Thus, satisfaction does not necessarily involve realizing life potential, fulfillment of needs, or the ability to function well in life objectively (Cella and Tulskey, 1993).

A person who has lived a difficult life, such as prostitution, chronic illness, or poverty, always seems to be satisfied with his or her life because of gradual adaptation through resignation. One can be satisfied with life yet feel bad inside. The process of adapting to one's environment may lead to an individual letting him- or herself down by compromising the deep dreams of a good life (Ventegodt, 2003). The person may not be unhappy with life but deep down considers it meaningless. Satisfaction with life is thus not the same as experiencing meaning in life. It is very common to be satisfied yet not happy.

There are classical types of satisfaction theories. One of these is called preference theory. It is typically formulated in such a way that a good life lies in seeing one's wishes come true (Ventegodt *et al*, 2003). "Seeing" because it is not enough that one's wishes be fulfilled. One has to experience that they actually are. This theory leaves the individual free to make his or her choice. One may, for instance, choose to collect stamps or good friends. The quality of life is based on whether one gets what one wants. In relation to this, the World Health Organization (WHO) (2007) has defined health broadly as a state of complete physical, mental, and social well being. By stressing well being, that is, the experience of feeling good, the WHO is in accordance with the other theories in these groups. The theory does not distinguish between constructive and (for example, self-) destructive needs. For example, the wish to die or to hurt or harm others increases the quality of life when it is realized.

Preference theories are a subgroup to the gap theories, which are found in a multitude of forms. Some include time, others the realization of life potential here and now in time and space, etc. They aim to find harmony in what you want life to be and how you think it is. The smaller the gap between them, the greater one's satisfaction, and hence, according to certain theories, the greater the quality of life (Paul and Conroy, 2000). The majority of quality-of-life theories focus on satisfaction. The concept is fairly easy to deal with and, as a cognitive concept, lends itself well to intellectual thought and rumination. Researchers and philosophers prefer it to more emotionally and intuitively attained concepts. The problem of using (life) satisfaction as the only measure of the quality of life is that a good life is more than merely being satisfied: happiness, meaning in life, fulfilling one's needs, etc (Ventegodt *et al*, 2002).

c) Happiness

Most people use this word with caution, because it has special significance. They use it with respect. Being happy is not just being cheerful and content. It is a special feeling that is precious and very desirable, but hard to attain. Happiness is something deep in the individual that involves a special balance or symmetry. Happiness is intoxication; a rare sweetness of life, when tiny bubbles sparkle. It is best described

in metaphors, preferably by poets (Cella and Tulsy, 1993). Happiness is closely associated with the body, but is not limited to it. It comprises an individual's whole existence and is signified by a certain intensity of an experience, which is also the case with unhappiness. The intensity of the experience is a dimension that does not separate happiness from more superficial aspects of the quality of life such as being satisfied with life and well being. Many people link the concept of happiness with human nature: happiness comes to people who live in extraordinary harmony with his or her nature. Nevertheless, not many people believe that happiness is achieved by merely adapting to one's culture and related factors (Ventegodt *et al*, 2003). In other words, happiness requires individuals not to resign too much but fight for what, deep down, is important to them. Typically, happiness is associated with non-rational dimensions, such as love, close ties with nature, etc., but not with money, state of health, and other objective factors. Happiness is found in classical philosophy and religious concepts, and it has inspired humanity broadly (Ventegodt *et al*, 2002).

d) Meaning in Life

Meaning in life is a very important concept and is seldom used. We only speak of the meaning of life with our most intimate friends and relatives, if at all. People who seek meaning in life are often catapulted into a confusing situation, where the value of all aspects of life is viewed quite differently. Are relations with my friends or partner as meaningful as they ought to be? Am I doing the right thing in life? Have I got the right job? Am I using my talents in the right way? Are my beliefs in life really correct? A search for meaning in life involves an acceptance of the meaninglessness and meaningfulness of life and an obligation towards oneself to make amends for what is meaningless (Cella and Tulsy, 1993). In this way, the question of meaning in life becomes deeply personal and very few people attempt to answer it because, by doing so, we risk our security in everyday life.

The problem of having a meaning in life is that it can be lost. One way of expressing it is that we become lost in ourselves; we do not live in accordance with our deepest self. Deep down, life feels empty.

Perhaps we do not want to get up in the morning. Or we may contemplate suicide. Meaninglessness seems to be a frequent reason why about 1,400 people commit suicide in Denmark per year. The meaning of life is the theme of classical religion, and the world religions can be seen as theories on the meaning of life. For instance, the classical goal of Hinduism is to attain the experience of unity with the world, *tat tvam asi* – (you are it) and the highest meaning in life. In Buddhism, the highest goal is emptiness or nirvana, which centers on being at one with the deepest meaning in the world. Many Native American tribes see it as their ultimate goal to find their own wholeness. In Christianity, the message of the love of God leads to the central meaning in life. The depths of our being, the distance between the surface and the deeper layers, leaves ample room for what we term life lies. They hide the depth of our existence. In our culture we collectively have one set of life lies that make meaning in life in its deepest sense a taboo. A theory for the meaning of life is the life mission theory (Ventegodt *et al*, 2003).

2.1.3 Theories to explain Corporate Social Responsibility

2.1.3.1 Shareholders' Theory

The shareholders' theory stipulates that management has a fiduciary duty to the owners or stockholders of a corporation and thus this duty takes priority over any other responsibilities and obligates it to focus on profit maximization alone. The belief of researchers in this group stems from the traditional neoclassical paradigm of the firm (Moir, 2001), a theory which reflects Adam Smith's notion of economic man, whose goal is to maximize the wealth of the firm, based on his contractual duties to the owners (Brenner and Cochran, 1991). This model of the firm was further popularized by Friedman (1970), who argued that in a free economy, there is only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to engage in open and free competition, without deception or fraud. Friedman (1970) furthermore contends that diverting corporations from the pursuit of profit makes the economic system less efficient.

Business's only social responsibility is to make money within the rules of the game. Private enterprises, therefore, should not be forced to undertake public responsibilities that properly belong to government.

The rules of the game that Friedman (1970) refers to are the elementary morality rules against deception, force, and fraud which are intended to promote open and free competition. Friedman believes that by allowing the market to operate with only the minimal restrictions necessary to prevent fraud and force, society maximizes its overall economic wellbeing. Pursuit of profits is what makes the free economy vibrant. Anything that dampens this kind of incentive or inhibits its operations weakens the ability of Adam Smith's invisible hand to deliver the economic goods (Shaw, 2008). The CSR theory that upholds this view has also been regarded as the "stockholders model" (Bruno and Nichols, 1990). This model identified that, based on the contractual agreement signed with the owners, management's responsibility is a legal one, and it equates with ethical and social responsibility. However, this only-profit-oriented-business approach has been heavily criticized by many researchers and has given way to the Stakeholder's view. Shareholder's critics claim that businesses have other obligations besides making a profit.

2.1.3.2 Stakeholder's Theory

Johnson (1971) in his definition of CSR, conceives a socially responsible firm as being one that balances a multiplicity of interests, such that while striving for larger profits for its stockholders, it also takes into account, employees, suppliers, dealers, local communities and the nation. This definition draws from stakeholder theory as developed by Freeman (1984). According to Freeman (1984), the firm can be described as a series of connections of stakeholders that the managers of the firm attempt to manage. Stakeholder, according to Bruno and Nichols (1990) is a term which denotes any identifiable group or individual who can affect or be affected by organizational performance in terms of its products, policies, and work processes.

Davis (1975) argues that modern business is intimately integrated with the rest of society. It is not some self-enclosed world, like a small study group. Rather, business activities have profound ramifications throughout society, and their influence on peoples' lives is hard to escape. Therefore, corporations have responsibilities that go beyond making money because of their great social and economic power. Stakeholders are typically analyzed into primary and secondary stakeholders. Clarkson (1995) defines a primary stakeholder group as "one without whose continuing participation the corporation cannot survive as a going concern" - with the primary group including "shareholders and investors, employees, customers and suppliers, together with what is defined as the public stakeholder group; the governments and communities that provide infrastructures and markets, whose laws and regulations must be obeyed, and to whom taxes and obligations may be due". The secondary groups are defined as "those who influence or affect, or are influenced or affected by the corporation, but they are not engaged in transactions with the corporation and are not essential for its survival".

Mitchell *et al.* (1997) developed a model of stakeholder identification and salience based on stakeholders possessing one or more of the attributes of power, legitimacy and urgency. Thus, it is anticipated that firms would pay most attention to those legitimate stakeholder groups who have power and urgency. In practice this might mean that firms with problems over employee retention would attend to employee issues and those in consumer markets would have regard to matters that affect reputation (Patten, 1992). The stakeholder's theory surfaced the question central to this research, which is whether organizations can be socially responsible and have good performance (profitable) while still satisfying investors and shareholders by providing acceptable levels of return on those investments.

2.1.3.3 Social contracts theory

Gray *et al.* (1996) describe society as "a series of social contracts between members of society and society itself". In the context of CSR, an alternative possibility is not that business might act in a responsible manner because it is in its commercial

interest, but because it is part of how society implicitly expects business to operate. Donaldson and Dunfee (1999) developed integrated social contracts theory as a way for managers to take decisions in an ethical context. They differentiate between macro social contracts and micro social contracts. Thus a macro social contract in the context of communities, for example, would be an expectation that business provides some support to its local community and the specific form of involvement would be the micro social contract. Hence companies who adopt a view of social contracts would describe their involvement as part of "societal expectation" - however, whilst this could explain the initial motivation, it might not explain the totality of their involvement.

2.1.4 Theories on Firm's Performance

Although resource-based theory stands as perhaps the most popular explanation of why some organizations prosper while others do not, several other theories are popular (Belal and Owen, 2007).

a) Enactment theory

Enactment treats executives as the masters of their domains. Enactment contends that an organization can, at least in part, create an environment for itself that is beneficial to the organization (Carly, 2002). This is accomplished by putting strategies in place that reshape competitive conditions in a favorable way.

b) Environmental determinism theory

Environmental determinism offers a completely opposite view from enactment on why some firms succeed and others fail. Environmental determinism views organizations much like biological theories view animals—organizations (and animals) are very limited in their ability to adapt to the conditions around them (Fiori *et al.*, 2007). Thus just as harsh environmental changes are believed to have made dinosaurs extinct; changes in the business environment can destroy organizations regardless of how clever and insightful executives are.

c) Institutional theory

In particular, institutional theory centers on the extent to which firms copy one another's strategies. Consider, for example, fast-food hamburger restaurants.

Innovations such as dollar menus and drive-through windows tend to be introduced by one firm and then duplicated by the others (Murphy, 2005).

d) Transaction cost economics theory

Transaction cost economics is a theory that centers on just one element of business activity: whether it is cheaper for a firm to make or to buy the products that it needs. This is an important element, however, because choosing the more efficient option can enhance a firm's profits (Belal and Owen, 2007).

Each of these theories—enactment, environmental determinism, institutional theory, and transaction cost economics—is useful for understanding some situations and some important business decisions. Thus executives should keep these perspectives in mind as they attempt to lead their firms to greater levels of success. However, one important advantage that resource-based theory offers over the alternatives is that only resource-based theory does a good job of explaining firm performance across a wide variety of contexts (Fiori *et al.*, 2007). Thus resource-based theory offers the point of view of business that has the strongest value for most executives.

2.1.5 Theoretical Studies

Carroll (1991) came up with the pyramid of CSR in his book *Business Horizons* (1991) and suggested that there are four kinds of social responsibilities that constitute a total range of CSR business activities. These are: economic, legal, ethical and philanthropic responsibilities. Carroll further emphasized that, for CSR to be accepted by a conscientious business person, it should be framed in such a way that the entire range of business responsibilities is embraced. Carroll (1991) explains thus; a) *Economic responsibilities*; as historically, business organizations were created as economic entities designed to provide goods and services to societal members. The profit motive was established as the primary incentive for entrepreneurship. Before it was anything else, business organization was the basic economic unit in our society. As such, its principal role was to produce goods and services that consumers needed and wanted and to make an acceptable profit in the process. At some point the idea of the profit motive got transformed into a notion of

maximum profits, and this has been an enduring value ever since. All other business responsibilities are predicated upon the economic responsibility of the firm, because without it the others become moot considerations; b) *Legal responsibilities*; as the society has not only sanctioned business to operate according to the profit motive; at the same time business is expected to comply with the laws and regulations promulgated by Government as the ground rules under which business must operate. As a partial fulfillment of the "social contract" between business and society, firms are expected to pursue their economic missions within the framework of the law (Moir, 2001). Legal responsibilities reflect a view of "codified ethics" in the sense that they embody basic notions of fair operations as established by the lawmakers. Legal responsibilities are appropriately seen as co-existing with economic responsibilities as fundamental precepts of the free enterprise system (Carroll, 1991); c) *Ethical responsibilities*; as although economic and legal responsibilities embody ethical norms about fairness and justice, ethical responsibilities embrace those activities and practices that are expected or prohibited by societal members even though they are not codified into law. Ethical responsibilities embody those standards, norms, or expectations that reflect a concern for what consumers, employees, shareholders, and the community regard as fair, just, or in keeping with the respect or protection of stakeholders' moral rights (McWilliams and Siegel, 2000).

In one sense, changing ethics or values precede the establishment of law because they become the driving force behind the very creation of laws or regulations (Carroll, 1991). For example, the environmental, civil rights, and consumer movements reflect basic alterations in societal values and thus may be seen as ethical bellwethers foreshadowing and resulting in legislation. In another sense, ethical responsibilities may be seen as embracing newly emerging values and norms society expects business to meet, even though such values and norms may reflect a higher standard of performance than that currently required by law. Ethical responsibilities in this sense are often ill-defined or continually under public debate as to their legitimacy, and thus are frequently difficult for business to deal with; d) *Philanthropic responsibilities*; as philanthropy encompasses those corporate actions

that are in response to society's expectation that businesses be good corporate citizens. This includes actively engaging in acts or programs to promote human welfare or goodwill. Examples of philanthropy include business contributions to financial resources or executive time, such as contributions to the arts, education, or the community (Moir, 2001).

The distinguishing feature between philanthropy and ethical responsibilities is that the former are not expected in an ethical or moral sense (Carroll, 1991). Communities desire firms to contribute their money, facilities, and employee time to humanitarian programs or purposes, but they do not regard the firms as unethical if they do not provide the desired level. Therefore, philanthropy is more discretionary or voluntary on the part of businesses even though there is always the societal expectation that businesses provide it. One notable reason for making the distinction between philanthropic and ethical responsibilities is that some firms feel they are being socially responsible if they are just good citizens in the community. This distinction brings home the vital point that CSR includes philanthropic contributions but is not limited to them. In fact, it would be argued here that philanthropy is highly desired and prized but actually less important than the other three categories of social responsibility, in a sense, philanthropy is icing on the cake (Sirsly, 2009).

Economic, legal, ethical and philanthropic responsibilities can be transformed into responsibility towards customers, employees, investors, suppliers, community and the environment according to Carroll (1991). With regards to a) *Responsibility towards customers*, a company has a duty to act responsibly towards its customers or else it might ultimately lose business. This could be through providing goods and services hallmarked by integrity, quality and care. Customer rights like rights to safe products, rights to all relevant information about the product should be left to prevail. Ethical advertising should also be put into consideration (Carly, 2002); b) *Responsibility towards employees*, as equal opportunities for rewards and advancement should be provided to all employees for a company to be socially responsible. Responsible employment practices with well-trained, well-managed and motivated employees, who are fairly rewarded – sharing in the company's successes

should be instituted. A company that ignores this responsibility may likely face a risk of losing productive, highly motivated employees as well as lawsuits (Litan, 2004).

A company should ensure that the workplace is safe, both physically and socially and should aim to be the employer of choice in all areas of operation (Carly, 2002); c) *Responsibility towards investors*, as managers have a responsibility to ensure that they do not act irresponsibly towards shareholders by denying them their due earnings or misrepresenting company resources. Financial management should be proper and finances should be correctly reported. Conformation to IFRS's and IAS's is a unilateral requirement (International Federation of Accountants, 1998). Wanyama (2006) cites previous studies on the importance accounting information plays in enabling relevant parties to monitor the performance of an organization as well as holding management accountable for the stewardship of resources. Sound accounting principles should enable investors to make a fair assessment of the performance of companies and guide the decisions of those investors in making investment decisions, holding management accountable and in CSR considerations (Wanyama, 2006); d) *Responsibility towards suppliers*, as socially responsible companies should regard suppliers as partners and work with them in order to achieve their policy aspirations in the delivery of products and services; e) *Responsibility towards community*, as companies should strive to be good corporate citizens by contributing to community well being, and be able to recognize their responsibility to work in partnership with the communities in which they operate.

In their research on CSR in Uganda, Katamba and Gisch-Boie (2008) identified the 5 top CSR activities in the community in Uganda as education, sponsorship of events related to the company's marketing strategy, health, HIV/AIDS related issues, and employee volunteerism. They concluded that community initiatives contribute to sustainable business development and shape the economic future especially if people are healthy and educated; and f) *Responsibility to environment*, as socially responsible companies should have a committed program of management, continuous improvement and reporting of their direct and indirect effects on the environment which marks their contribution to improving the world in which they

live (Caspin, 2002). Nkiko and Katamba (2010), and Gisch-Boie (2008) have in the same line also highlighted the various CSR activities that companies are engaged in including environmental responsibility, practices concerned with labour, worker health and safety as well as quality of life of the community.

Some critics believe that CSR programs are undertaken by companies such as British American Tobacco (BAT), the petroleum giant British Petroleum (BP) (well known for its high-profile advertising campaigns on environmental aspects of its operations), and McDonald's to distract the public from ethical questions posed by their core operations (Belal and Owen, 2007). They argue that some corporations start CSR programs for the commercial benefit they enjoy through raising their reputation with the public or with government. They suggest that corporations which exist solely to maximize profits are unable to advance the interests of society as a whole (Moir, 2001). Critics concerned with corporate hypocrisy and insincerity generally suggest better governmental and international regulation and enforcement, rather than voluntary measures, are necessary to ensure that companies behave in a socially responsible manner (Dey, 2007). Other researcher such as Werhane (2009), argue that CSR should be considered more as a corporate moral responsibility, and limit the reach of CSR by focusing more on direct impacts of the organization as viewed through a systems perspective to identify stakeholders. Epps (1996) continue to argue that CSR is a means by which companies can frame their attitudes and strategies towards, and relationships with, stakeholders, be they investors, employees or, as is salient here, communities, within a popular and acceptable concept. Hence the fundamental idea of CSR is that business corporations have an obligation to work towards meeting the needs of a wider array of stakeholders (Clarkson, 1995; Waddock *et al.*, 2002).

2.2 Empirical literature review

Preston *et al.* (1997) in their study pointed out that managers can reduce investments in corporate social responsibility in order to increase short term profitability (and, in this way, their personal compensation). This point seems to be really interesting, due

to the fact that other authors (Barnea and Rubin, 2006) suggest the existence of an opposite trend linked to the same phenomena (managerial opportunism). Waddock *et al.* (1997) assumed that companies with responsible behavior may have a competitive disadvantage, since they have unnecessary costs. These costs fall directly on the bottom line and would necessarily reduce shareholders profits and wealth. On the other hand, Wright *et al.* (1997) and McWilliams *et al.* (1997) carried out empirical studies regarding the relationship between CSR and financial performance which comprised of essentially two types. The first uses the event study methodology to assess the short-run financial impact (abnormal returns) when firms engage in either socially responsible or irresponsible acts. The second type of study examines the relationship between some measures of corporate social performance (CSP) and measures of long term financial performance, by using accounting or financial measures of profitability. The results came out as follows, “When treated as an independent variable, corporate social performance was found to have a positive relationship to financial performance in 42 studies (53%), no relationship in 19 studies (24%), a negative relationship in 4 studies (5%), and a mixed relationship in 15 studies (19%).” In general, the link between social responsibility and financial performance was that the evidence is mixed. Although, these studies focused the relationship between CSR and financial performance, they could not find out the circumstances that influence the practice of CSR by various firms.

Backhaus *et al.*, (2002) and Greening *et al.*, (2000) in their studies argued that firms with high CSR may attract better employees. There is some empirical support for this explanation as CSR may serve as a signal to potential applicants that the organization is a socially responsible employer and upholds ethical values. This association between CSR and company attractiveness as an employer has been found at the organizational level by Turban and Greening (1997) as well as the individual level of analysis. However, a study by Huselid (1995) pointed out that when competitive advantage increasingly depends on a quality workforce a large labour pool from which to select employees is usually beneficial to companies. Companies with low CSR inadvertently restrict the labour pool from which they can recruit by appearing unattractive to potential job applicants and, thus, are at a human resource and

economic disadvantage relative to companies with high CSR (Orlitzky, 2007). On the other hand, Auger *et al.*, (2003) found in their study that firms that enjoy favorable reputations for their CSR may be able to charge premiums for their products and services. Consumers may value social responsibility so highly that they are willing to pay more for products and services from socially responsible companies. In addition, they continue to argue that by conveying important information about how products have been manufactured in a socially or environmentally responsible manner, companies may increase market share relative to competitors that are poor corporate citizens (Miller, 1997). Whether the effect is through increased prices or a larger customer base, CSR may help the business generate more sales revenues. However, their studies could not identify methods used by firms to practice CSR.

Ali (2007) noted two McKinsey studies whereby the leaders stated that increasing awareness of the necessity of aligning corporate objectives with societal expectations manifests a change in business and market realities. Goodstein and Wicks (2007) described CSR concept as reciprocal web of relationships between business and stakeholders, helping to lead to discussions around social practices, although the argument remains that stakeholder engagement by firms may be unnecessary. Rose (2007) in her study speaks to the need to understand the business environment today and recognizes that it requires more than just an ethical manager to breed corporate social responsibility. Previous research has examined the impact of corporate social responsibility on financial performance and consumer behavior (Schuler and Cording, 2006) customer satisfaction and market value (Lou and Bhattacharya, 2006). Moreover, their focus was on the overall evaluation of an organization by consumers based upon socially responsible behaviors and not directly on purchasing patterns and expectations. Their research has centered around specific elements of the product or brand and the impact on loyalty, with recent research seeking to identify the impact of the product lifecycle stage on loyalty (Johnson, Herrmann and Huber, 2006). Gandossy and Sonnenfeld (2004) in their study simply argued that the questions still to be answered are whether (a) consumers judge the ethical and social behaviors of corporations important in deciding whether to purchase a particular

company's products, and (b) can organizations be profitable and socially responsible, negating any sense of mutual exclusivity. Yet, their studies could not determine the effects of CSR on firm's performance.

2.3 Identified Research Gap

Based on the theoretical review and the literatures from earlier study regarding CSR practiced by various firms or organizations; it was found that firms or organizations with responsible behaviours may have a competitive advantage since they have unnecessary costs (Waddock *et al*, 1997), CSR has a positive relationship with financial performance (McWilliams *et al*, 1997) and firms that enjoy favorable reputations for their CSR may be able to charge premiums for their products and services (Orlitzky, 2007). However, the studies were unable to provide evidences regarding the circumstances that influence the practice of CSR, the methods utilized by firms or organization's to practice CSR and the effects of CSR on firm's or organisation's performance. In lieu of this, this study sought to find out those aforesaid evidences by carrying out a research in order to unveil what is hidden following the practice of CSR. Thus, the need to address those evidences by using this study was important.

CHAPTER THREE

RESEARCH METHODOLOGY

3.0 Introduction

This chapter provided a blue print for the methodology to be adopted in the study namely; study area; research design; population and sample size; sampling techniques; data collection methods; and data analysis techniques.

3.1 Study Area

The study was done at PPF headquarters, Dar es Salaam as it is the one which is responsible for this particular investment strategy for the fulfillment of its mission which states that, the fund is committed to providing quality pensions and allied benefits to members from both formal and informal sectors through the utilization of dedicated human resources and modern technology with high degree of accuracy and promptness. However, the fulfillment of its mission goes hand in hand with the PPF services to members and other stakeholders through corporate social responsibility undertakings in areas of health, education and others.

3.2 Research Design

The study utilized a cross-sectional research design. The reason for using a cross-sectional research design was that it attempts to collect data from members of a population and describes existing phenomena by asking individuals about their perceptions, attitudes, behaviors or values. Moreover, it explores the existing status of two or more variables at a given point in time. Primary data collected from such a population is more reliable and up-to-date (Mugenda and Mugenda, 1999).

With cross-sectional research design the quantitative and qualitative methods were employed i.e. the quantitative method employed questionnaires while the qualitative

method incorporated the focus group discussions (FGDs) and key informant interviews. The incorporation of focus group discussions and key informants interviews validated and elaborated the former (adding information which were not given by key respondents of the study) (Yin, 2003). However, information were collected from a number of cases or units of inquiry under investigation and only a sample of cases was examined (Robson, 1993).

3.3 Population and sample size

The population of the study comprised of 145 respondents. The sample size of 55 respondents was purposively selected; comprising of 10 PPF officials (Director General, Public relations manager and low cadre employees in public relations manager's office) and 45 beneficiaries/customers (PPF members, schools, health facilities/centres and vulnerable groups).

Cooper and Schindler (2008) argued that, for any valid and reliable study to be carried, its sample shouldn't be less than 30% of its population. As it stands, the sample size is 37.9% of the population; hence fulfilling their argumentation. Table 3.1 shows the distribution of respondents.

Table 3.1: Distribution of respondents

S/N	Category	Population	Sample size	Method employed
1	PPF Officials (Director general, Public relations manager and lower cadre employees in public relations manager's office)	25	10	Purposive
2	Beneficiaries/customers (PPF members, schools, health facilities/centres and vulnerable groups)	120	45	Purposive
	Total	145	55	

Source: Analyzed data, 2013

3.4 Sampling techniques

The study utilized two sampling procedures namely; purposive and stratification sampling.

3.4.1 Purposive sampling

This method was used to select the targeted respondents as indicated because it is a non-random sampling procedure in which personal experience of the respondent was considered to be key derived from the position one held or the roles s/he played in relation to a particular business/activity. The respondents selected purposively included; PPF officials and members/customers who were beneficiaries.

3.4.2 Stratification sampling

This method was used to focus on gender distribution in order to obtain views from both women and men. The respondents included PPF employees from the management, middle and lower level as well as members who were beneficiaries/customers of PPF CSR practices. The reason according to Yin (2003) is that, stratification serves the distribution among heterogeneous population which needs to be incorporated for the purpose of gaining insights from it.

3.5 Data collection methods

Primary and secondary data collection methods were used to get information from respondents and other sources.

3.5.1 Primary data collection methods

Primary data collection methods used by the researcher to collect data from the field included; interviews, questionnaires and observations.

a) Interview

The researcher used interview to the PPF officials (i.e. director general, public relations manager and lower cadre employees in public relations manager's office) in order to solicit information regarding the practices of CSR (Appendix 2). According to Yin (2003) the interview tool is very important source of getting information and it is helpful in handling cross-sectional research related matters as the research design indicates.

This method of data collection created and promoted the understanding of the perceptions and values underlying CSR activities to beneficiaries and enabled the researcher to gather additional information that could not be given by the respondents when filling in the questionnaires. It involved the presentation of oral (verbal) stimulus and replies in terms of oral (verbal) responses. The advantage of using interviews was demonstrated by the fact that it is a quick method in gathering information and the researcher could know whether the respondents understood the questions or not.

b) Questionnaires

Questionnaires were used to obtain information from both PPF officials and beneficiaries/customers. This complemented and supplemented information obtained under interview, observation and documentary review (Appendix 1). The reason was to obtain consistency of responses to the questions asked in repeated measurements (Carmines and Zeller, 1979).

c) Observation

The researcher utilized observation method in data collection in order to capture what were not obtained from the interview and questionnaires. These informations included the eye witness during the study in real situation which assisted the researcher to justify what were revealed from the interview and questionnaires.

The reason for using this method was its ability to obtain faithful answers from the respondents exactly when performing their particular jobs and making sure that what was observed was what is reported.

3.5.2 Secondary data collection methods

This included reading at length existing literatures on Corporate Social Responsibility and business performance evaluation. Journals, magazines, newspapers, textbooks and entity annual reports were some of the documents that were reviewed.

3.6 Data analysis techniques.

Data collected were analysed both qualitatively (using content analysis) and quantitatively (using descriptive statistics analysis). These were summarized, coded and analyzed by Statistical Package for Social Science (SPSS).

Frequency distribution and percentages were used to describe major variables from quantitative data. Qualitative data from interviews and observations were analyzed using content analysis (by analysing texts regarding authorship, authenticity, or meaning from respondents' responses on "Who says what, to whom, why, to what extent and with what effect?."). It involved recording the verbal discussions with respondents followed by breaking the recorded information into meaningful smallest units of information, subjects and presented them in the text for discussion in the report. However, coding which is an interpretive technique that seeks to both organize the data and provide a means to introduce the interpretations of it into certain quantitative methods was employed along with hermeneutical analysis which served on interpreting the meaning of the context (Cooper and Schindler, 2008).

CHAPTER FOUR

PRESENTATION AND DISCUSSION OF THE RESEARCH FINDINGS

4.0 Introduction

This chapter provides results and discussions arising from the data analysis on corporate social responsibility and firm's performance with reference to PPF. It is presented and discussed under four parts; the first part presents the respondents' response rate; the second part highlights the circumstances that influence the practice of CSR by PPF; the third part identifies different methods used by PPF to practice CSR and the fourth part determines the effects of CSR on PPF performance.

4.1 Respondents' Response Rate

Primary data were obtained by using interviews, questionnaires and observation while secondary data being obtained from published and unpublished reports as highlighted in chapter 3. In this research 55 questionnaires were spread among PPF officials and beneficiaries of PPF.

Responses from interviews were recorded by the researcher and all questionnaires were successfully filled something that allowed the researcher to code, summarize and analyse descriptively the data using SPSS computer software version 16.

4.2 Circumstances that influence the practice of CSR by PPF

The first objective of this study was to find out the circumstances that influenced the practice of CSR by PPF. The researcher identified sixteen circumstances from different literatures which were considered to influence the practice of CSR. The respondents' opinions were therefore sought on the perceived circumstances using likert scale method with five point scale (i.e. from strongly agree, uncertain to strongly disagree). However, no uncertain reply was sought. Therefore, the circumstances found included; enhancement of corporate image, profit maximization

influences, long term survival influences, customer approval influences, addressing community needs, community acceptance, better contribution to community welfare, environmental conservation influences, enhancement of staff morale, the organisation's interest in CSR, improved staff welfare, industry standards, reducing business risk, increasing rival's cost and competitor practices influence. The summary of findings is given in Table 4.1

Table 4.1: Circumstances that influence CSR practices

(N=10)

Circumstance	Number of respondents	
	Strongly agree	Strongly disagree
Enhancement of corporate image	9	1
Customer loyalty maintenance	7	3
Profit maximization influences	9	1
Long term survival influences	8	2
Customer approval influences	8	2
Addressing community needs	7	3
Community acceptance	7	3
Better contribution to community welfare	8	2
Environmental conservation influences	8	2
Enhancement of staff morale	7	3
The organisation's interest in CSR	8	2
Improved staff welfare	7	3
Industry standards	8	2
Reducing business risk	8	2
Increasing rival's cost	8	2
Competitor practices influence	9	1

Source: Analysed data, 2013

The results in Table 4.1 show that the majority of respondents (PPF officials) agreed with the circumstances that influenced the Fund to practice CSR while the minority disagreed according to their understanding as indicated in the Table.

Specifically, the results in Table 4.1 showed that PPF was able to accommodate the community needs as emphasized through its CSR policy which is in line with government policies to be incorporated by other stakeholders such as building health centers, classes and helping the vulnerable as reported by 7 respondents; improved staff welfare through the provision of loans, enhanced staff morale through training

and bonuses provision and built community acceptance through queer advertisement of products as statutory laws and regulations recommend which was reported by 7 respondents something that influenced the practice of CSR. This is in line with what was advocated by Mugisa (2011) who affirmed that by doing so the community support through CSR is enhanced.

Moreover, the results in Table 4.1 showed that PPF was influenced and provided better contribution to community welfare while reducing business risk such as political and social risks as reported by 8 respondents. However, PPF enhanced environmental conservation as supported by Mirfazli (2008) and adhered to industry standards in service provision to attain the environmental value of the society as reported by 8 respondents when practicing CSR.

On the other hand, the results in Table 4.1 showed that CSR was practiced by PPF for the purpose of attaining long term survival influences and increasing rival's cost from other competitors as reported by 8 respondents. This was achieved through innovation and learning attained by PPF employees for the purpose of fulfilling long term plans. Likewise, CSR was practiced by PPF in order to enhance and maintain customer loyalty and customer approval as affirmed by 8 respondents. These are supported by Kotler and Nancy (2005) suggestions which enabled organisations to survive longer.

Furthermore, the results in Table 4.1 showed that there was the organisation's interest in CSR reported by 8 respondents for its plans' implementation which enabled the enhancement of corporate image to customers while focusing on competitor practices influence which would have made the competition to be stronger among players through the incorporation of new information technology techniques for fast and reliable service provision as reported by 9 respondents. Moreover, the practice of CSR by PPF aimed at profit maximization influences as reported by 9 respondents and supported by Boron (2000).

In general the results imply that, PPF was influenced to address community needs as reported by 7 respondents, improved staff welfare through the provision of loans, enhanced staff morale through training and bonuses provision and built community acceptance through the practice of CSR as reported by 7 respondents. Moreover, PPF provided better contribution to community welfare while reducing business risks, environmental conservation and maintained industry standards in service provision to attain the environmental value of the society as reported by 8 respondents something that influenced the practice of CSR. On the other hand, CSR was practiced by PPF for the purpose of attaining long term survival influences and increasing rival's cost from other competitors as reported by 8 respondents. Likewise, CSR was practiced by PPF in order to enhance and maintain customer loyalty as well as customer approval influences. Yet, the organisation's interest in CSR as reported by 8 respondents for its plans' implementation enabled the enhancement of corporate image to customers while focusing on competitor practice influences and the practice of CSR aimed at profit maximization influences as reported by 9 respondents.

4.3 Methods used by PPF to practice CSR

The second objective of this study was to identify (in terms of yes or no) different methods used by PPF to practice CSR. The researcher identified seven methods from the literature which were important for the practice of CSR. To obtain the information regarding the methods used, the researcher asked the respondents to tick and add the methods given according to their perception. Table 4.2 summarises the results as follows.

Table 4.2: Methods used by PPF to practice CSR

(N=45)

Method	Number of respondents	
	Yes	No
Spending a certain amount of fund for community assistance	36	11
Providing funds to community's well being	33	12
Enhancement of product quality, customer care and instituting ethical advertizing	37	08
Integrating environmental management into business processes to those it serves	40	05
Instituting sound systems to guide investments decisions towards CSR	38	07
Providing preventive health, safety and good working conditions for the community it serves	36	11
Increasing contributions through customer addition	39	06

Source: Analysed data, 2013

The results in Table 4.2 showed that the majority of respondents (beneficiaries/customers) identified by agreeing with the methods used by PPF to practice CSR; while the minority of respondents disagreeing as indicated. Table 4.2 summarizes the results as reported by respondents as follows.

Specifically the results in Table 4.2 showed that providing funds to community's well being such as building houses to vulnerable groups was one of the methods used by PPF to practice CSR as reported by 33 respondents. However, spending a certain amount of fund for community assistance and providing preventive health, safety and good working conditions for the community it serves through supports organised and implemented by PPF were reported by 36 respondents as methods used to practice CSR.

On the other hand, the results in Table 4.2 showed that the enhancement of product quality, customer care and instituting ethical advertizing as attested by 37 respondents and instituting sound systems to guide investment decisions towards CSR reported by 38 respondents were among the methods used by PPF. Likewise, increasing contributions through customer addition reported by 38 respondents and

integrating environmental management into business processes to those it serves were reported by 40 respondents as advocated by Roberts and Dowling (2002) in their study.

In general, the results imply that, providing funds to community's well being reported by 33 respondents, spending a certain amount of fund for community assistance and providing preventive health, safety and good working conditions for the community it serves were reported by 36 respondents as methods used to practice CSR. However, the enhancement of product quality, customer care and instituting ethical advertizing as attested by 37 respondents and instituting sound systems to guide investment decisions towards CSR reported by 38 respondents were among the methods used by PPF. Likewise, increasing contributions through customer addition reported by 39 respondents and integrating environmental management into business processes to those it serves was reported by 40 respondents.

4.4 Effects of CSR on PPF performance

The third and last objective of this study was to determine the effects of CSR on PPF performance using Likert scale method. The researcher identified eleven effects from the literature which influenced the practice of CSR. Therefore, the respondents (PPF officials) were asked to tick them according to their preferences. These effects included; CSR contributes to customer satisfaction, CSR enhances the internal business processes of the pension fund, CSR contributes to pension fund's competitiveness, CSR contributes to pension fund's profitability and financial performance, CSR contributes to the attainment of pension fund's objectives/goals, The fund aligns its CSR with financial priorities, CSR becomes part of pension fund's annual budget, CSR contributes to the reduction of employees costs, CSR assists in increasing brand value, CSR contributes to the reduction of public relation costs and CSR increases contributions through customer addition. The summary of findings is indicated in Table 4.3.

Table 4.3: Effects of CSR on PPF performance

(N=10)

Effect	Number of respondents	
	Strongly agree	Strongly disagree
CSR enhances the internal business processes of the pension fund	8	2
CSR contributes to pension fund's competitiveness	9	1
CSR contributes to pension fund's profitability and financial performance	8	2
CSR contributes to the attainment of pension fund's objectives/goals	8	2
The fund aligns its CSR with financial priorities	7	3
CSR becomes part of pension fund's annual budget	8	2
CSR contributes to the reduction of employees costs	9	1
CSR assists in increasing brand value	8	2
CSR contributes to the reduction of public relation costs	8	2
CSR increases contributions through customer addition	9	1

Source: Analysed data, 2013

The results in Table 4.3 show that the majority of respondents (PPF officials) determined the effects of CSR on PPF; while the minority of respondents could not determine as indicated.

Specifically, the results in Table 4.3 showed that 7 of respondents stated that CSR contributes to customer satisfaction, stated that the fund aligns its CSR with financial priorities and 8 respondents reported that CSR enhances the internal business processes while its performance enhanced its ability to upscale CSR activities such as assisting in increasing brand image and becoming part of pension fund's annual budget as advocated by Harpreet (2009).

On the other hand, the results in Table 4.3 showed that 8 respondents stated that CSR contributes to the attainment of pension fund's objectives or goals something which needs to be enhanced by PPF. However, the other 8 respondents stated that CSR contributes to the reduction of public relation costs as when the public becomes aware of the PPF products the budget for public relations becomes reduced. Likewise, CSR contributes to pension fund's profitability and financial performance

as customers become satisfied and enroll more to meet the target as reported by 8 respondents.

Furthermore, the results in Table 4.3 showed that 9 respondents stated that CSR contributes to pension fund's competitiveness as customers get enrolled themselves to the organisation which cares for them, CSR contributes to the reduction of employees costs by saving funds which could have been used to attract new customers instead of practicing CSR and the other 9 respondents attested that CSR increases contributions through customer addition as supported by Helg (2007).

In general, the results in this part imply that, 7 respondents stated that CSR contributes to customer satisfaction; the Fund aligns its CSR with financial priorities while 8 respondents reported that CSR enhances the internal business processes while its performance enhanced its ability to upscale CSR activities such as assisting in increasing brand image and becoming part of pension fund's annual budget. However, 8 respondents stated that CSR contributes to the attainment of pension Fund's objectives or goals; CSR contributes to the reduction of public relation costs as when the public becomes aware of the PPF products the budget for public relations becomes reduced. Likewise, CSR contributes to pension fund's profitability and financial performance as customers become satisfied and enroll more to meet the target as reported by 8 respondents. Furthermore, 9 respondents stated that CSR contributes to pension Fund's competitiveness, CSR contributes to the reduction of employees and CSR increases contributions through customer addition.

CSR is part of the culture of the Fund to support education, health centres and vulnerable group. The involvement of the Fund in social responsibilities enhances its value and improves its image to the public (Annual Report for the year ended 31st December, 2011). Donations made to the charitable organisations during the year amounted to Tsh 174 million. The Fund continued to provide direct support to the community in which it operates in forms of social and financial support, mainly in the area of education, health and social calamities.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

The chapter provides the summary, conclusion and recommendations. Policy implications and areas for further research are also given. It starts with the summary proceeded by conclusion and recommendations, policy implications and finally areas for further research.

5.1 Summary

CSR is a social practice which tends to be embedded in a particular social, economic, cultural, historical and institutional structure. That's why many entities engage in CSR and spend huge amounts of money in their commitments to the community, workplace and the marketplace. CSR is viewed as a potential mechanism which can be used to mobilise meaningful organizational changes leading to less unethical and unsustainable business practices. However, the performance of business organizations is affected by their strategies and operations in market and non-market environments when implementing CSR.

The findings from the study revealed that, PPF enhanced its CSR policy in order to address community needs, improved staff welfare through the provision of loans, enhanced staff morale through training and bonuses provision and built community acceptance which influenced the practice of CSR. Moreover, PPF provided better contribution to community welfare while reducing business risks, environmental conservation influences and maintained industry standards in service provision to attain the environmental value of the society something that influenced the practice of CSR. Yet, CSR was practiced by PPF for the purpose of attaining long term survival influences and increasing rival's cost from other competitors as reported by respondents.

Likewise, CSR was practiced in order to enhance customer loyalty maintenance and customer approval influences. Yet, the organisation's interest in CSR for its plans' implementation enabled the enhancement of corporate image to customers while focusing on competitor practice influences and the practice of CSR aimed at profit maximization influences as reported by respondents.

On the other hand, PPF through its CSR provided funds to community's well being, spent a certain amount of fund for community assistance and provided preventive health, safety and good working conditions for the community it serves as methods to practice. However, the enhancement of product quality, customer care and instituting ethical advertizing as attested by respondents and instituting sound systems to guide investment decisions towards CSR were among the methods used by PPF to practice CSR. Likewise, increasing contributions through customer addition and integrating environmental management into business processes to those it serves was reported by respondents.

Finally, respondents stated that CSR contributed to customer satisfaction, the Fund aligned its CSR with financial priorities and CSR enhanced the internal business processes while its performance enhanced its ability to upscale CSR activities such as assisting in increasing brand image and becoming part of pension fund's annual budget. However, respondents stated that CSR contributed to the attainment of pension fund's objectives or goals, CSR contributed to the reduction of public relation costs as when the public becomes aware of the PPF products the budget for public relations becomes reduced. Likewise, respondents attested that CSR contributes to pension fund's profitability and financial performance as customers become satisfied and enroll more to meet the target. Moreover, respondents stated that CSR contributes to pension fund's competitiveness; CSR contributes to the reduction of employees and increases contributions through customer addition.

5.2 Conclusion

Based on the empirical findings it is concluded that, PPF was able to address community needs, improve staff welfare through the provision of loans while implementing its CSR plan for the purpose of attaining long term survival influences. This supports stakeholder's theory which focuses on individuals who affect or are affected by organisational performance in terms of products, policies and work processes. It emphasizes that the task of organisations or firms is to go beyond making money and becoming socially responsible to satisfy stakeholders by providing acceptable levels of return on their investments. This is what PPF tried to fulfill as it enhanced its product quality, customer care and increased contributions through customer addition while integrating environmental management into business processes to those it serves. Likewise, the fund was able to align its CSR with financial priorities which contributed to pension Fund's profitability and financial performance because customers become satisfied and enrolled more to meet the target.

5.3 Recommendations

The researcher recommends the following;

- a) PPF has to continue implementing CSR to the community it serves by increasing the services in order to accommodate the needy who are drastically increasing. By doing so, what it gets from the community would be equally reciprocated.
- b) PPF has to revise its methods used to practice CSR in order to compete well with other competitors for its profitability.
- c) PPF has to work harder to satisfy its customers through enhancing the internal business processes while being guided by investment decisions put.

5.4 Policy implication

The researcher argues for the enhancement of CSR practices to the needy along with other stakeholders' collaboration for the successful implementation of organization's goals.

5.5 Areas for further research

The study examined the effect of CSR on PPF performance at the Headquarters. It is advised that further studies be done on the following issues;

- a) What are the challenges facing PPF in implementing CSR?
- b) Are the targeted beneficiaries reached by PPF plans regarding its CSR implementation?

REFERENCES

- Ali, J. (2007). Predicting Mutual Fund Over performance over a nine- year period. *Financial Counseling and Planning* 15(1): p 1-11.
- Auger, P., Devinney, T.M., and Louveniere, J. J. (2003). ‘What will Consumers Pay for Social Product Features?’ *Journal of Business Ethics*, 42(3): p 281 – 304.
- Barnea, A. and Rubin, A. (2006). “*Corporate social responsibility as a conflict between shareholders*”. Working paper. University of Texas.
- Belal, A.R. and Owen, D. L. (2007). ‘The Views of Corporate Managers on the Current State of, and Future Prospects for, Social Reporting in Bangladesh: An Engagement-Based Study’. *Accounting, Auditing Accountability*, 20(3): p 472-494.
- Campbell, D. (2004). A Longitudinal and Cross-sectional Analysis of environmental Disclosure in UK Companies - a research Note, *The British Accounting Review*, 36: p 107-117.
- Carmines, B and Zeller, A. (1979). *Primary and Secondary data collection Methods*. Macmillan. New York
- Carly, S, F. (2002). *Environmental and Social Responsibility Report*, Hewlett Packard, New York.
- Carroll, A. B. (1979). “A three-dimensional Conceptual Model of Corporate Performance.” *Academy of management Review*, vol. 4, p 497-505.
- Cella, D.F. and Tulskey, D.S. (1993). Quality of life in cancer: definition, purpose, and method of measurement. *Cancer Invest.* 11(3), p 327–336.
- Cooper A and Schindler, M. (2008). *Perfect Sample Size in Research*. Macmillan. New Jersey
- Davis, K. (1973). ‘The Case for and against Business Assumption of Social Responsibilities’. *Academy of Management Journal*, 16(2): p 312-22

- Davis E. P. (2005). The role of pension funds as institutional investors in emerging market economies. Korean Development Institute Conference. Population Ageing in Korea: *Economic Impacts and Policy issues*. March. p 320-45
- Debroux, P. (2009). Corporate Social Responsibility and Sustainable Development in Asia. A Growing Awareness. *Asia Pacific Business Review*, Volume 12, No 2, April
- Fiori, G. Donato, F. and Izzo, M. F. (2007), “*Corporate Social Responsibility and Firms Performance. An Analysis on Italian Listed Companies*”, <http://ssrn.com/abstract=1032851> [accessed 16 March 2013].
- Freeman, E. (1984). *Strategic Management: A stakeholder Approach*. Boston: Pitman.
- Friedman, M. (1962). *Capitalism and Freedom*, Chicago: University of Chicago Press.
- Griffin, J. J. and Mahon J. F. (1997). “The corporate social performance and corporate financial performance debate: twenty-five years of incomparable research”. *Business and Society* 36(1), p 5–31.
- Harpreet, S.B. (2009). “*Financial Performance and Social Responsibility: Indian Scenerio*”, <http://ssrn.com/abstract=1496291> [accessed 20 July 2013].
- Helg, S. (2007). “*Corporate Social Responsibility from a Nigerian perspective*”, Masters Thesis No 591013, Handelshogsklan Vid Doteborgs Universitet, p1-101.
- Hillman, A. J. and Keim, G. D. (2001). “Shareholder value, stakeholder management, and social issues: What’s the bottom line?”, *Strategic Management Journal* 22(2), p 125-139.
- Huselid, M. A. (1995). ‘The Impact of Human Resources Management Practices on Turnover, Productivity, and Corporate Financial Performance’. *Academy of Management Journal*, 38: p 635 -72.

- Jones, T. M. (1995). 'Instrumental stakeholder theory: A synthesis of ethics and economics'. *Academy of Management Review* 20: p 404–437.
- Katamba M and Gisch-Boie, A. (2008). 'CSR in Uganda: Perceptions, approaches and needs of Companies'. UCCSRI, Kampala.
- Kothari, J. (2004). *Research Methodology and Techniques*. Bangalore. India
- McWilliams, A., Fleet, D. D., and Cory, K. D. (2002). 'Raising Rivals' Costs through Political Strategy: An Extension of Resource-Based Theory'. *Journal of Management Studies*, 39(5): p 707 – 24.
- Midttun, A., Gautesen, K., and Gjørlberg, M., (2006). 'The Political Economy of CSR in Western Europe', *Corporate Governance*, 6(4): p 369-385.
- Mitchell D. (2000). *Pensions, Politics and the Elderly: Historical, Social Movements and their Lessons for Our Aging Society*. M.E. Sharpe
- Mitchell, R. K., Bradley R. A., and Wood, D. J. (1997). "Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts". *Academy of Management Review* 22: p 853–886.
- Moir L. (2001). What do we mean by Corporate Social Responsibility? *Corporate Governance* 1, 2; p 16-22. MCB University Press.
- Moon, J. and Vogel, D., (2008). 'Corporate Social Responsibility, Government, and Civil Society', in Crane, A., Matten, D., McWilliams, W., Moon, J., and Siegel, D., (eds.), *The Oxford Handbook of CSR*, Oxford University Press, p 303-323.
- Mugenda E and Mugenda E. (1999). *The Merits of Cross sectional research design*. McGraw Hill. New York
- Mugisa, J. (2011). *The effects of corporate social responsibility on business operations and performance. A case study of Vision Group and Uganda Clays Limited*. Uganda Martyrs University. Nkozi
- Murphy, R. (2005). "The Good Company". *The economist*, 20th January 2005

- Nkiko, C.M and Katamba, D. (2010). Uganda CSR profile, in Wayne Visser & Nick Tolhurst, *World Guide to CSR: A Country by Country Analysis of Corporate Sustainability and Responsibility*. Green Leaf Publishers, UK, London.
- Orlitzky, M. (2007). ‘*Corporate Social Performance and Financial Performance: A Research Synthesis*’. The Oxford Handbook of Corporate Social Responsibility. New York: Oxford.
- Paul B. and Conroy, D. (2000). *Microfinance Phenomenon, The Foundation for Development Cooperation*. Brisbane, Australia. Retrieved December 15, 2012 from <http://www.action.org/microjoel.html>
- Robson, J. (1993). *Research Methodology and techniques*. Prentice Hall. New York
- Santiago F. (2004). “*When doing the right thing provides a pay off*”. Global Finance Traditions, Sage Publications, London.
- Sirsly, C, T. (2009). “75 years of lessons learned: chief executive officer values and corporate social responsibility”. *Journal of Management History* Vol.15 No.1, p 78- 94
- Thompson G. (2008). Risk Based Supervision of Pension Funds in Australia. *World Bank. Policy Research Working Paper* 4539.
- Ullmann, A. (1985). “Data in search of a theory: a critical examination of the relationship among social performance, social disclosure, and economic performance of US firms”, *Academy of Management Review* 10(3), p 540–577.
- Ventegodt, S., Lindholt, J.S., and Henneberg, E. (2002). Development and validation of QOL5 for clinical databases. A short, global and generic questionnaire based on an integrated theory of the quality of life. *Europe Journal of Surgeon*. 168, p 107–113.
- Ventegodt, S. (2003). The life mission theory: a theory for a consciousness-based medicine. *International Journal of Adolescence and Medical Health* 15(1), p 89–91.

- Waddock S. A. (2002). *Leading Corporate Citizens: Vision, Values, and Value Addition*. Boston: McGraw-Hill.
- Waddock, S. and Graves, S. (1997). "The Corporate Social Performance-Financial Performance Link", *Strategic Management Journal* 18(4), p 303-319.
- Waddock, S.C and Graves, S. (2002). Responsibility: The New Business Imperative; *The Academy of Management Executive* 16 (2), p 132-147.
- Wanyama, S. (2006). *Corporate Governance and Accountability in Uganda: An analysis of stakeholder perspectives*
<https://discovery.dundee.ac.uk/handle/10588/973> (viewed 20 - 7- 2011).
- Wright, P. and Ferris, S. P. (1997). "Agency conflict and corporate strategy: The effect of divestment on corporate value", *Strategic Management Journal* 18(1), p 77-83.
- Yin, R.K. (2003). *Case Study Research: Design and Method: Applied Social Research Methods*, Vol.5: Sage Publications Ltd.

APPENDICES

Appendix 1: QUESTIONNAIRES FOR BENEFICIARIES/CUSTOMERS

Dear Respondent,

My name is **Paulina Msanga**. I am conducting a Survey on **Corporate Social Responsibility and Firm's Performance: A study of PPF; Dar es Salaam Headquarters**

In the following questionnaire, I would like to know your opinions about the topic through your participation in an interview aiming at answering the questions which follow.

This survey is a part of my master's dissertation and your kind co-operation is essential for my successful completion of this research project.

Your responses will be anonymous and the data collected will be collectively analysed as a whole and treated as Confidential for Academic Purposes only.

Please feel free to contact me in case of any difficulty at a reasonable time; through my mobile phone numbers +255 (0) 0719 382000 or e-mail pmsanga@ppf.org or pamclepa@yahoo.com. My supervisor's name is Dr. Hawa Petro of Mzumbe University.

Your participation in this study will be greatly appreciated.

Thank you very much for your time and assistance

**Topic: Corporate Social Responsibility and firm's performance: A study of PPF;
Dar es Salaam Headquarters**

PART A: Circumstances that influence CSR practices in PPF (questions for PPF officials)

1. Please indicate your agreement or disagreement regarding the circumstances that influence CSR practices in PPF as follows; 1) SA=Strongly Agree 2) A=Agree 3) U=Uncertain 4) D=Disagree 5) SD=Strongly Disagree.

Factor	Choice				
	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
1. Enhancement of corporate image					
2. Customer loyalty maintenance					
3. Profit maximization influences					
4. Long term survival influences					
5. Customer approval influences					
6. Addressing community needs					
7. Community acceptance					
8. Better contribution to community welfare					
9. Environmental conservation influences					
10. Enhancement of staff morale					
11. The organisation's interest in CSR					
12. Improved staff welfare					
13. Industry standards					
14. Reducing business risk					
15. Increasing rival's cost					
16. Competitor practices influence					

2. What do you think would be other circumstances that influence CSR practices? (specify)

- i).....ii).....
- iii).....iv).....
- v).....vi).....

PART B: Methods used by PPF to practice CSR to beneficiaries (questions for beneficiaries/customers)

3. Do you think that these would be the methods used to practice CSR by PPF? (tick where appropriate)

Approach	Yes	No
The fund spends a certain amount of fund for community assistance		
The fund provides funding to community's well being		
The fund enhances product quality, customer care and institute ethical advertising		
The fund integrates environmental management into business processes to those it serves		
The fund institutes sound systems to guide investment decisions towards CSR		
The fund provides preventive health, safety and good working conditions for the community it serves		

4. What do you think would be the other methods used to practice CSR by PPF? (specify)

- i).....ii).....
- iii).....iv).....

PART C: Effects of CSR towards PPF performance (questions for PPF officials)

5. Please indicate your agreement or disagreement regarding the effects of CSR towards PPF performance as follows; 1) SA=Strongly Agree 2) A=Agree 3) U=Uncertain 4) D=Disagree 5) SD=Strongly Disagree.

Effect	Choice				
	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
1. CSR has an effect on customer satisfaction					
2. CSR has an effect on internal business processes of the pension fund					
3. CSR has an effect on the pension fund's competitiveness					
4. CSR has an effect on the pension fund's profitability and financial performance					
5. CSR has an effect on attainment of pension fund's objectives/goals					
6. The fund aligns its CSR with financial priorities					
7. CSR is part of pension fund's annual budget					
8. CSR has reduced employees costs					
9. CSR increases brand value					
10. CSR reduces public relation costs					

6. What do you think would be other effects of CSR towards PPF performance? (specify)

- i).....ii).....
- iii).....iv).....
- v).....vi).....

Appendix 2: Interview Guide questions PPF officials

i) What are the circumstances that influence the practice of CSR in PPF?

ii) What are the different methods used by PPF to practice CSR?

iii) What are the effects of CSR on PPF performance?