THE BENEFITS OF CORPORATE SOCIAL RESPONSIBILITY ON FIRM’S PERFORMANCE

THE CASE OF CRDB BANK MOROGORO

THE BENEFITS OF CORPORATE SOCIAL RESPONSIBILITY ON FIRM'S PERFORMANCE:

THE CASE OF CRDB BANK MOROGORO

By

Joseph John

A Dissertation Submitted in Partial/Fulfillment of the Requirements for Award of the Degree of Master of Business Administration (MBA) of Mzumbe University

2016

CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe University, a dissertation entitled '**The benefits of Corporate Social Responsibility on Firm's performance: The case of CRDB bank**, in partial/ fulfillment of the requirements for award of the degree of Master of Business Administration (MBA) of Mzumbe University.

____

Major Supervisor

____

Internal Examiner

Accepted for the Board of

…………………………………………

____

CHAIRPERSON/DEAN/FACULTY/DIRECTORATE/SCHOOL BOARD

DECLARATION
AND
COPYRIGHT

I, Joseph John, 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 _________________________________

ACKNOWLEDGEMENT

This report is not a result of the researcher's effort alone, but many people deserve my gratitude in accomplishment of this work. I owe a lot to everyone who co-operated in making my dissertation on the benefits of Corporate Social Responsibility on Firm's Performance

I would like to express my sincere gratitude to individuals who helped me in the production of this work. In particular, I thank my supervisor Dr. Chao. E, for his tireless support in moral mentorship, encouragements, advices and tolerance. He took his time to work with me from the research proposal preparation, data collection, writing and completion of this work.

Furthermore, I take immense pleasure in thanking my friend Mr. Seleman Ezekiel for his ideas and support on statistics and data analysis. I would also like to extend my sincere gratitude to my fiancée Jacqueline K. Mchapwaya for her much support in accomplishing this report without her this report was not possible to be completed on time.

It is difficult to mention everyone in this paper, but in general I would like to recognise the continuous support and help given to me by my friends where there were impossibilities. I even more grateful to the research respondents especially the employees of CRDB bank for their readiness and quick reply to my request to partake in this study. Lacking them this study would not have been possible.

Moreover, I would like to thank my Lord God for giving me good health throughout of my studies. Thank you, God.

DEDICATION

Too often we take for granted those people we live with, the people who make out life full and rich with their presence, the people whose support is directly invisible. This work could not be completed without a conducive and emotional wellbeing atmosphere to the writer. I am fortunate and with my heartfelt feelings to dedicate this work to my family of Mr. and Mrs. Joseph; for their lovely support and inspiration which made me to do this work successfully. Thank you.

ABBREVIATIONS

CRDB	Corporate Rural Development Bank
CR	Corporate Responsibility
CSR	Corporate Social Responsibility
CSP	Corporate Social Performance
MNC	Multinational Corporation
MU	Mzumbe University
ROI	Return on Investment
SME	Small and Medium Enterprises
SPSS	Statistical Package for Social Sciences

ABSTRACT

Debates continue to temper between scholars who contend that corporate social responsibility has benefits on the firm and those who argue that it has no any benefits on the firm. Therefore, this report aims at examining the benefits that firms receive from Corporate Social Responsibility (CSR) initiatives which influences the performance of the firms by taking Cooperate Rural Development Bank (CRDB bank in Morogoro Tanzania as a case. The research design was a case study in nature. Data was collected from 100 people including employees and customers within the CRDB Bank in Morogoro Municipal. The report employed questionnaires, interviews and documentary reviews as the main tools for data collection. Various data analysis techniques such as frequency analysis, percentages, figures and descriptive analysis were used to analyse the data.

Grounded on the replies and analysis, the results show that the corporate social responsibility (CSR) is an invisible hand that is used by the firms to create and maximise the shareholders' wealth. The findings show that company engaging in corporate social responsibility (CSR) initiatives reaps innumerable benefits including improving organisation image and identity, increasing competitive advantage and enhancing employees' morale. Furthermore, the findings reveal that the practice of CSR enhances customer trust and loyalty, improves investors' trust and open new market opportunities. Interestingly, the findings show that corporate social responsibilities do influence the performance of the firm. The constraints that limit the CSR program were found to be inadequate budget, lack of community awareness, globalisation, overwhelming poverty and rapid population growth. From the results it was concluded that CRDB Bank received many benefits from CSR initiatives but the stakeholders were not aware with those benefits because there were no disclosure reports to the stakeholders. Hence this report recommends for the bank and other firms engaging in CSR to disclose their CSR reports to the stakeholders; as well as to embed it in corporate culture.

TABLE OF CONTENTS

LIST OF TABLE

LIST OF FIGURES

CHAPTER ONE

BACKGROUND INFORMATION

1.1 Introduction

This chapter presents the background of the study, followed by the statement of the problem, the research objectives and the research questions. The chapter also presents the significance of the study as well as the scope, limitation and ends with the delimitation of the study.

1.2 Background of the study

The concept of corporate social responsibility (CSR) can be traced back to the ancient times. The first stage of the CSR development happened thousand years Before Christ (BC) in ancient Rome where senators grumbled about the failure of businesses to contribute sufficient taxes to fund their military campaigns. But also during the industrial revolution the concept grew to a whole new level and the impact of firm in the society started to be seen. However, the role and influence of globalisation contributed a substantial part in the growth of CSR as it enforced many firms to find better means of setting themselves in the competitive market.

The concept of CSR in its present form was first mentioned in 1953 by Bowen in his publication "Social Responsibility of the Business man" (Carroll, 1999). Since then the notion of CSR has come to dominate the society – business interface and many theories and approaches have been proposed. The concept was confronted and reinforced in the 1960s following the rise of the environmental association, behind Rachel Carson's critique of the chemical industry in silent spring. In 1960, CSR emerged out from an attempt to link business with society. The underlying expectation in this era was to apply the resources in a socially responsible manner i.e., the promotion of social welfare along with the economic development. The main argue was to employ economy's means of production in such a way that production and distribution could enhance total socioeconomic welfare (Sharma, 2011). Conversely, the concept of CSR believed to grow widely in the 1990s, when the German Betapharm a generic pharmaceutical company decided to implement CSR as an expression of the company's value and as part of its business strategy (Usman, 2013).

Corporate social responsibility acknowledged an increasing attention from business scholars over the past couple of decades. Many scholars have come with different views concerning CSR subject. Some had seen CSR as the voluntary compliance of social and ecological responsibility of companies. Helg (2007) viewed Corporate citizenship as the set of principles to which a company contributes in order to make its impact on society. Baker (2004) also viewed CSR as an ongoing obligation by corporate to act morally and contribute to economic improvement while refining the quality of life of the personnel and their relatives as well as local community and society at large.

The different views continue also to economists and sociologists. Economic arguments suggest that managers should make decision which can increase the wealth of stockholders. On the other hand sociologists suggest that, it is the responsibility of the firm to groom the society, and should make decisions that go beyond the owner's wealth maximisation.

Corporate social responsibility in contemporary era has been taken as a company strategy towards the performance of the company. And it's now becoming a very important issue in the business administration (Fiori *et al*. 2007). It is true to argue that in recent years there is growing figure of businesses globally which started endorsing their corporate social responsibility programs for positioning in business environment. Leaders and managers of today's companies are also increasing aware of the positive impact of socially responsible behaviour to achieve not only strategic but also financial goals of the business.

Many firms are now investing a lot of money in the CSR activities because the stakeholders (customers, public and the investors) expect them to act sustainable as well as responsible. Mugisa (2011) argued that CSR has been attracting heightened attention throughout the world. Many organizations involve in CSR and consume a lot of money in their obligations to the community, workstation and the marketplace. The prominent examples of companies investing a lot of funds for CSR activities in the 20th Century were like Rockefeller, Carnegie, Ford as well as the philanthropic activities of a Bill Gates and Warren Buffet. All these companies in one way or another argued that CSR has the potential to make positive contributions to the development of society and businesses, and now other organisations are beginning to see the benefits from setting up strategic CSR agenda (Paulina, 2013).

Piprek (2007) contended that over the last few years in Tanzania, various companies have started applying the Corporate Social Responsibility, particularly foreign firms. Such firms include banking, telecommunications and mining sectors as quoted by Ngowi (2015). Here in Tanzania we can see various companies spending their money in CSR activities like Coca cola, Airtel, Tigo, CRDB Bank and Vodacom etc.

The increasing in number and spending of huge amount of money by these companies in CSR activities have now become a subject of debates worldwide to scholars and people in the community where these firms operates. It's here where a debate on whether CSR has benefits to the firms or it has no any benefits arise. Renneboog *et al*. (2008) also argued that whether CSR has a positive impact on firm's performance remains an open question.

As a consequence, further research, particularly into the Corporate Social Responsibility in Tanzania, is essential in order to understand the benefits that firms receives from their Corporate Social Responsibility initiatives and how those benefits influence their performance.

1.3 Statement of the problem

Corporate social responsibility has been practiced by companies for a couple of decades. Both multinational, local companies and SMEs adopted it with different views and specific reasons. Many firms including Tanzanians' firms are now engaging in CSR and investing huge amounts of money in their commitments to the community, workplace and the marketplace (Mugisa, 2011). The engagement of these companies in CSR activities is mainly because they can reap some kind of benefits from such engagement (Manuel and Lucia, 2007). Companies believe that CSR has a solid business case, and corporation receive many benefits because they work for a broader and longer term than their own short term gain momentary. Proponents also revealed the benefits of CSR on the firm such as (Solomon and Hanse, 1985; Pava and Krausz, 1996; Preston and O'Bannon, 1997) who found that investments in CSR have big return in terms of image and overall financial performance. They continued to argue that the related benefits from investment in CSR are bigger than the related costs.

However, the benefits of CSR on the firm have been not well understood as they are very difficult to be seen by many people in Tanzania including some of employees of CRDB Bank, community members and scholars since these people understand that CSR is a philanthropic activity for development of the society only ("doing good with part of the profit") (Piprek, 2007). In addition to that other critics like Aupperle *et al*. (1985) in their study also added that there is no correlation between corporate social responsibility and company's profitability. Henderson (2005) contended that CSR is adversely affects a company's performance.

In response to this problem, this study proposed to examine the benefits that firms reaps from CSR initiatives, hence to make contribution in the literature review on same studies.

1.4 Research Questions

To achieve the above objectives the study addressed the following questions;

i) What are the factors for the establishment of CSR program?
ii) What are the CSR activities practiced by CRDB bank?
iii) What are the benefits of CSR on the firm
iv) What are the constraints facing CSR program in achieving the company goals?

1.5 Objectives of the study

This part presents the objectives of the study as divided into two main categories those are general objective and specific objectives as given here under.

1.5.1 General objective

The general objective of this study was to examine the benefits of corporate social responsibility on performance of CRDB Bank in Morogoro Region.

1.5.2 Specific Objectives

The current investigation had the following specific objectives

i) To find out the factors for establishment of CSR program
ii) To identify the CSR initiatives practiced by CRDB bank
iii) To examine how the benefits of CSR influence firm's performance
iv) To identify the constraints facing CSR program in achieving the company goals

1.6.1 Scope

The study focused on the benefits of corporate social responsibility on performance of firm. The study was concentrating solely on CRDB Bank. The study conducted in Morogoro Municipal Council in Morogoro region. Morogoro Municipal chosen as study area because the CRDB Bank has five branches compared to other bank. These branches were Mazimbu branch, Morogoro branch, Mandela branch, Morogoro Agency and SUA branch.

1.6.2 Significance of the study

The study was significant in view of the following;

i) The result of the study is potential to CRDB bank and expected to draw attention to other firms both public firms and private firms in Tanzania

ii) The study findings also will influence and promote CSR practices to both private and publics firms

iii) The results from this study also anticipated to contribute towards the society and employees' body of knowledge on understanding of why there is increasing pressure of firms in practicing CSR.

iv) On academic ground, the results from the study would be used as stepping stone and reference material for Mzumbe scholars who wish to study on CSR.

v) Furthermore, the study improved the researcher's knowledge of research process and more important served as a partial fulfillment on award of Master's Degree in Business Administration from Mzumbe University

1.7 Organization of the study

The study organized into five chapters. Chapter one presents the problem setting of the study regarding the benefits of corporate social responsibility on the performance of CRDB Bank.

Chapter two provides the literature review from various studies which includes the meaning of concepts and theories. Chapter three focused on the methodology adopted when carrying out the study such as research design, population of the study, sample size, sampling techniques used, method of data collection and data analysis.

Chapter four based on data presentation, analysis and discussion of findings. Chapter five provides summary of the study, conclusion and policy implication as well as area for further study and limitation and delimitation of the study.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter provides what other scholars said about CSR. It provides deeper understanding of different concepts related to this study. In order to capture different ideas, this chapter presented both the theoretical literature review and empirical literature review of the study.

2.2 Theoretical Literature Review

The purpose of this section was to build a theoretical foundation upon which this study is based. In doing so this section reviews the concept of corporate social responsibility and theories of corporate social responsibility.

2.2.1 Meaning of Corporate Social Responsibility

The term corporate social responsibility is also called corporate responsibility, Responsible Business, Corporate Citizenship or Corporate social investment. Corporate social responsibility can be defined in many ways as there is no single definition of what corporate social responsibility is. Therefore, what constitutes corporate social responsible behaviour may vary according to one’s point of view (Steven, 2013). Academics and scholars have been defining and interpreting CSR as best fits their purpose resulting in definitions and interpretations that are often biased by underlying value-judgments and ideologies (Paul *et al*, 2005).

Baker (2004) defined CSR, concept as the ongoing obligation by business to perform morally and contribute to economic growth of the firm while improving the livelihood of their employees and their families as well as the community members around which the business it operates. Again the business for social responsibility, viewed the CSR concept as a ways of attaining the firm economic growth and success through moral practice and respect of people, society and the environment.

According to Pride and Ferrell (1977) CSR defined as “the corporation’s moral responsibility to maximize its positive impact and minimize its negative impact on the society”. Van Marrewijk (2003) defined CSR concept as a solution to the world problems especially the poverty gap, collective barring and environmental degradation. Becker-Olsen *et al*, (2006) defined and cited the concept of CSR as connection between the company financial growth and society development at large. He believes that when a corporation makes social initiatives or philanthropy is automatically creating a link between the society and the firm hence improved financial performance.

All these definitions explained above may carry different messages and it is perhaps permissible to argue that there is ambiguity in what is definition and what is interpretation, which in the case of CSR leads to some common problems (Paul *et al*., 2005). However, Paul *et al*., (2005) argued that a good and usable definition of CSR is one that does not interpret what the responsibilities of the firm should be. But a good definition should be accepted by academics and practitioners of any discipline and political conviction and should work under any model of the firm.

Generally, one can say that most definitions of CSR described as an integration of social, public, human and environmental concerns in the business activity while maintaining interaction with the stakeholders on a voluntary basis. Additionally, being socially responsible means not only fulfilling legal expectations, but going beyond compliance and investing in human capital, the environmental concerns and investment which are assumed as a driving factor of the company’s competitiveness (Daniel and Petria, 2012)

2.2.2 Theories of Corporate Social Responsibility

2.2.2.1 Stakeholder theory

Stakeholder theory is a theory proposed by Freeman in 1984. Stakeholders can be defined as any group or individual who can affect or is affected by the achievement of the corporation purpose (Freeman, 1984). Post *et al*., (2002) defined stakeholders of a corporation as the persons and constituencies that donate, either on their own will or unwillingly, to its wealth creating capacity and activities and who are therefore its potential beneficiaries and or risk holders. Therefore simply stakeholders include employees, customers, suppliers, stockholders, banks, environmentalists, government and other groups who can hurt or help the corporation. Stakeholder theory is considered as "a necessary process in the operationalisation of corporate social responsibility, as a complimentary rather than conflicting body of literature" (Matten *et al*., 2003).

The stakeholders are divided into primary and secondary groups. Primary stakeholders as those "without whose continuing participation the corporation cannot survive as a going concern which are 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" (Clarkson, 1995). The secondary stakeholders are "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 (Paulina, 2013).

Other scholars argued that contemporary business cannot survive independently without a closely relationship with the society. It is not some self-enclosed world, like a small study group. Rather, corporate under takings have intense implications throughout society, and their inspiration on peoples' survives is tough to spurt (Paulina, 2013). Building good relationship with primary stakeholders is susceptible of leading to increased financial returns. It assists companies in developing valuable intangible assets (resources and capabilities) which can be sources of competitive advantage because such assets can differentiate a company from its competitors. It is also argued that a company cannot afford to ignore any stakeholder concern that might affect its ability to generate a long-term owner value (Sternberg, 1997; Hilman and Keim, 2001).

In contribution to that, Carr (1968) recognised that if a company wishes to take a long-term view of its profits, “it will need to preserve amicable relations with whom it deals. Practitioners also recognised that is through stakeholder behaviour that organisations generate impacts and those stakeholders are complex individuals who engage with a wide range of organisations in often diverse roles (Amit, Zott and Pearson, 2012; Littlewood, 2014). Porter and Kram, Donaldson and Preston (1979) also argued that the stakeholder theory is a managerial and contributes to successful economic performance therefore to integrate business with stakeholders have an impact on the firm performance.

More, many argued that paying attention to corporate stakeholders is necessary for profit maximisation. For example, if management does not insist that customers to be treated well, the firm will not have customers or at least it will not have anywhere near as many as it could and ought to have. In addition, Clarkson (1995) explained that it is essential to extricate between stakeholders concerns and community matters for the reason that businesses and their leaders manage interactions with stakeholders and not with society. Whereas stakeholder management can lead to shareholder wealth creation, participation in social issues may not have the same kind of result (Hillman and Keim, 2001).

2.2.2.2 Shareholder theory

This theory was proposed by Milton Friedman in 1970. He proposed the theory through his believes that business do not have any moral obligations or social responsibilities at all, other than to maximize their own profit. In addition, shareholders defined as those individuals who own a business, or part of a business (Friedman, 1970). He continued by stating that the only obligation of the business is to make profit for shareholders by using its resources to engage in activities designed to increase its profits so long as it stays within the rules of the game. Therefore managers and other employees of any business are obligated to do one and only one thing that is maximizing that business profit. Therefore the theory is based on the premise that management is hired as the agent of the shareholders to run the company for their benefit (shareholder-stakeholder, 2013, theories of corporate governance/index.html).

Friedman (1970) went so far to suggest that any employee who does anything other than maximize profit for their employer is doing something wrong. Other proponents argued that forcing a company to give some of its earnings to the public is quietly wrong as we are essentially imposing a tax on that company, and then using that tax money to help others, improve the community. Therefore, the earnings of businesses are already taxed by the government to fund public goods-so they have already fulfilled their social responsibilities. They continued to argue that requiring that business to fulfill additional social responsibilities is essentially double theft and this is even more wrong.

Proponents also argued, businesses might even have further reasons to benefit others around them, since a business that improves the local community is more likely to attract better employees from around the country, and more customers to the area. That means that businesses only end up doing good things for the public because it is ultimately in their own self-interest. In other words, they are only doing good things for the public because it will come back around to them, such that the business will be more likely to profit even more (Friedman, 1970).

The latter also believed that companies should be concerned with improving production and increasing profits while abiding by the rules of the game both those embodied in law and those embodied in ethical custom, which include acting honestly and in good faith, and that social problems should be left for the state to address and that a company should engage in CSR activities only if it allows value to be created for shareholders (McWilliams and Siegel, 2001).

2.2.2.3 Resource – based view theory

The term CSR can sometimes be understood from resource-based view, concentrating on the assets that that are used by the firm in the manufacturing of various of things and how the exceptionality of these assets deliver a company supremacy power which later maximize the firm profit. A resource – based perspective of the company entails that it essential for a firm to integrate closely with the stakeholders requirements as a strategic venture for a firm. Meeting their demands a company will gain an economical advantage by developing extra complimentary skills that contestants will find it tough to replicate (Ruf *et al*., 2001). Therefore, abilities in stakeholder management may present a valuable and unique resource to the firm.

Furthermore, this theory of the firm suggests that for an organization to achieve its objectives, it needs to structure its internal capabilities to match the conditions of the external environment. By the way a CSR strategy can be considered as a core intangible dynamic resource within the resource-based view of the firm (RVB). It can provide a general framework for decisions regarding the design and adoption of other organizational resources that collectively characterize their marketing approach and direction. The appropriate mix of productive resources may enable the firm to operate effectively within the specific target market of choice and for the specific type and magnitude of value (objectives) it is aiming to create. It needs to develop its unique and sustainable competitive advantage (Porter, 1980).

This view of the firm also suggested that an organisation can gain and sustain competitive advantage by developing valuable resources and capabilities that are relatively inelastic in supply (Ray *et al*, 2004). The key internal intangible resources and the external market conditions may be used as a framework within which to innovate and instigate the development of this unique strategy dimension.

Therefore, the theory implies that the right mix of resources needs to be developed, progressively assessed and managed for the specific category of business performance intended. The dynamic capability perspective of resources indicates that capabilities need to be evolved and created progressively to allow a firm to stand clear of competition (imitators) over time (Diericks and Cool, 1991).

2.2.2.4 Legitimacy theory

The legitimacy theory relies upon the notion that there is a "social contract" between an organisation and the society in which it operates. Therefore, corporations try to legitimize their corporate actions by engaging in CSR reporting to get the approval from society and thus, ensuring their continuing existence (Deegan and Unerman, 2011). Deegan (2002) explained the social contract as represents myriad of expectations that society has about how an organization should conduct its operations. O'Doovan (2002) also added that the legitimacy theory stems from the idea that for corporations to continue operating successfully, it must act within the bounds and norms of what society identifies as socially responsible behaviour. Maignan and Ralston (2002) provided that legitimacy of a firm is dependent on the maintenance of reciprocal relationship with its stakeholders, given that the firm has obligations including moral obligations to a broad range of stakeholders in to their shareholders (Omran, 2015).

Waddock *et al*., (2002) argued that employee's perceptions about how a corporation accepts and manages its responsibilities are often part of the employee's decision about where to work. Therefore, publication of sustainability related information can play a role of positioning a firm as an employer of choice and as such, this status can enhance loyalty, reduce staff turnover and increase a firm's ability to attract and retain high quality employees. Margolis and Walsh (2003) added that corporation's engagement in CSR activities and its disclosure can foster corporate performance. By the way it is true to argue that even investors are choosing to invest in organizations those are demonstrating a high level of CSR. Branco and Rodrigues (2008) argued that CSR disclosures play an important mechanism to enhance the effect of CSR on corporate reputation as well as representing a signal of improved social and environmental conduct (Omrani, 2015).

2.2.3 Meaning of firm performance

Firm performance is defined in many ways (Barney, 2000). Orlitzky, Schmidt and Rye (2003) admitted that both accounting and market definitions have been used to study the relationship between CSR and firm performance. Since there are contradictions in defining the firm performance, the best definition can be taken from market view than that of accounting view of firm performance (Margolis and Walsh, 2001). Therefore firm performance by market value can be defined as the price of a firm's equity multiplied by the number of its shareholders outstanding.

2.3 Empirical Literature Review

2.3.1 The concept of Corporate Social Responsibility

The concept of CSR currently has become a subject of debate and criticism. Others defend it as it has a solid business case, and corporations receive many benefits because they work for a broader and more long-term than their own short-term gain momentary while others criticize it as it moves away from the fundamental economic role of businesses, and distract the company from its main goal.

As it was expounded above that over the last decade the world has experienced an increasing number of firms from all sectors, from SMEs to Multinational companies investing and practicing CSR. Investing huge amount of fund in CSR have made different scholars attempting to reveal whether these actions really contribute to a "good society" or they are just business strategies to attract customers and make more profit.

With respect to CSR and performance of the firm, proponents of the CSR have argued that CSR actions are business strategies for maximisation of the wealth. They also continued to say that doing good for citizen is good for business. For example Friedman (1970) argued that there is one and only one social responsibility – to use its resources and engaging in activities designed to increase its profits as long as stays within the rules of the game, which is to say, engage in free and open competition without deception or fraud. In addition, Griffin and Mahon (1997) exposed that investment in CSR have big return in terms of image and overall financial results. Griffin and Mahon (1997) continued to say that the related benefits, in fact are bigger than the related costs of investment in CSR activities.

Jackson and Apostolakou (2009) found that CSR is adopted by firms in order to manage the way the public perceive them. The firms use CSR to justify their business and manage the expectations of employees, the local communities, customers, the company itself and other high valued stakeholders. It is also reported that there is a correlation between companies in high –impact sectors and high CSR performers, although this correlation is weak. According to Porter (1999), companies in recent years have seen CSR as social advantage of the company. He continued to point out that social programs are now used mainly by companies as a form of public relations or promotional purposes that normally have returns on the company.

It also important to argue that companies use CSR strategy to strengthen their competitive position by improving the quality of the business environment in the places where their activities are unfolding (Porter, 1999).Levitt (1958) contended that CSR is profitable strategy of the company. CSR is viewed as fashion accessory of self-interested businessmen whose priorities are not so much of the health business they are paid to manage or the welfare of the society as the pursuit of their own objectives as individuals. He also insisted that the main objective behind the CSR is self-interest and if they were not profitable they would not be pursued by firms. Therefore this reveal that the only ethical approach to CSR is to pursue CSR when profitable and admitted that profit is the real objective behind any social responsible activities.

Other proponents of CSR argued that CSR hold social contract with a society and therefore existing only on the legitimacy of society (Davis, 1973). This meant that firms which do not operate in accordance with society values will eventually lose their legitimacy to exist and will eventually fail. This argument shows that CSR are not directly practiced or implemented for solving societal problems rather it is practiced for the sake of benefiting the firms by integrating the community. CSR should be well understood from a resource based perspective, focusing on the resources that firm use in the production of goods and services and how uniqueness of these resources provides monopoly power and hence economic profit to the firm (Ruf *et al*, 2001).

Likewise, should be kept in minds that currently firms are very profit seekers compared to past large organizations. In past, organizations were using part of their profits in providing charities to other institutions even those not falling or related to their daily operations. Currently firms do not providing charities instead the profits obtained they used to invest it in the project that seems to benefit them later or project that may have return on investment (ROI).

The benefits of CSR can be both internal and external with respect to the company. Internal benefits improve the culture within the organization while external factors improve how the public generally perceives the company (Branco and Rodrigues, 2006). Furthermore, CSR activities can boost the value of the firm and help companies gain greater involvement and commitment of employees (Donker, Poff and Zahir, 2008). These improvements in return will lead to better performance of the company.

However, there are some studies conducted worldwide in which researchers have pointed out some doubts on whether CSR actions can truly be linked to a company's performance. These studies include Aupperle *et al*., (1985); Vogel (2005); and Henderson (2005). For instance Aupperle *et al*., (1985) explored that there is no substantial proof of the relationship between the company's profitability and its CSR activities. To add on the subject matter, Vogel (2005) saw and contended that CSR is completely irrelevant with the performance of the company and has no effect on the stock performance. However, CSR adversely affects a company's performance. More critics argued that CSR moves away from the fundamental economic role of businesses, and distracts the company from its main goal (Henderson, 2005).

In addition to this literature on the CSR and firm's performance, numerous number of CSR theories those support this study such stakeholder theory, legitimacy theory, shareholder theory and resource based view theory also explained.

Cheng and Serafeim (2011) in their study found the same that; the firms with better CSR have lower overall capital constraints, indirectly leading to more opportunities for investment and higher valuation. Beckhaus *et al.,* (2002) in his study argued that organizations that have high level CSR may entice good personnel. In fact, there are experiential supports for this argument since CSR tend to sale the image and identity of the company in the public in which talented applicants considers the organisation as a best employer (Turban and Greening, 1997). The argument is similar with a study conducted by Huseild (1995) who pointed out that CSR tend to influence a large labour pool from which the firm select quality work force.

Generally, it is argued that a company with a high level of CSR tends to be more attractive to employees and has a low turnover rate of new employees, thus decreasing the recruitment and employee training costs (Lin *et al*., 2015). However Auger *et al*., (2003) reported that, companies that enjoy favourable standings for their CSR may be able to charge extras for their goods and services. This is because the consumers are willing to buy products and services from highly socially responsible companies.

In addition, Miller (1997) argued that CSR helps the business to generate more sales revenues. Further, Ofori, Nyuur and Darko (2014) revealed that banks in Ghana view CSR practices to be a strategic tool where bank practice it for legitimacy reason such as profitability and sustainability. Also Wan *et al.*, (2014) in their study found that, there is positive relationship between CSR practice and firm financial performance. Consistently with Kanwal, Khanam, Nasreem and Hameed (2013) showed that, companies investing in social initiatives, benefits from continuous long term maintainable and sustainable development and enhance business performance. Due to many assumptions on CSR and firm performance, the researcher was curious to examine the benefits of CSR.

2.4 Identified Research Gap

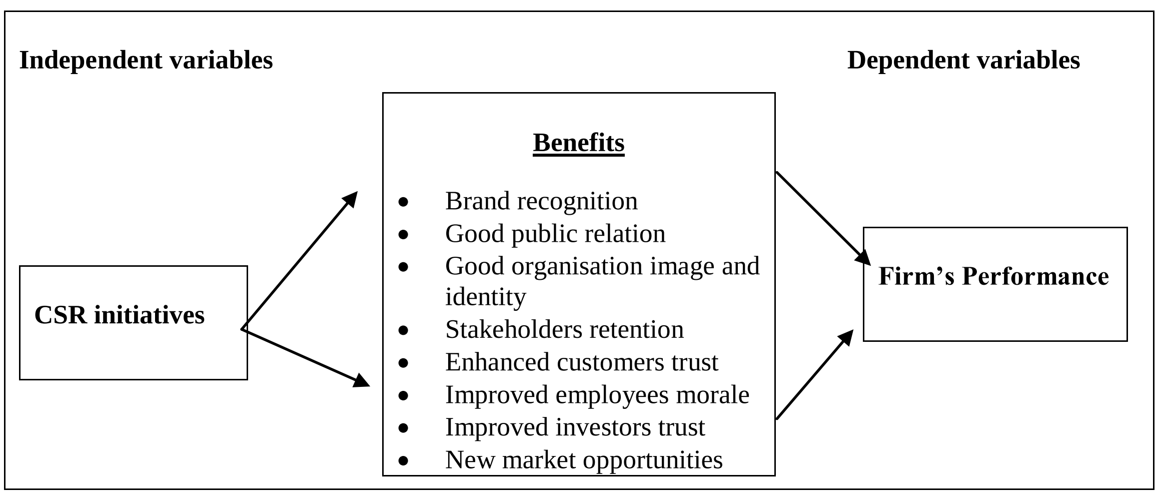
Based on the theoretical literature review and empirical literature review from early studies regarding Corporate Social Responsibility done by companies; it was found that corporates or organisations with effective CSR reaps many benefits which are higher than the relatively costs invested in CSR activities. More, it was found that firms that enjoy favourable reputation s for their Corporate Social Responsibility may be able to charge premiums for their products and services (Orlitzky, 2007). However, those studies failed to reveal and provide facts concerning the factors influencing companies to establish CSR programs, initiatives mostly done by those companies, sectors that most of the firms targets in fulfilling their company goals, the mostly benefits received or reaped by those firms from their CSR initiatives and how those reaped benefits influence firm's performance and challenges that CSR programs faces. For that reasons, this study sought to find out those aforementioned facts by carrying out a study in order to disclose what was not understood by the community and employees behind the CSR initiatives made by companies. Therefore, the need to address those facts became very crucial through this study

2.5 Theoretical Frame Work

According to Kothari (2004) a conceptual framework is an systematic tool with many differences and settings used to make theoretical differences and organize idea. It gives the relationship between the independent and dependent variables. The study examined the benefits of corporate social responsibility on the firm and how they influence performance in Corporate Rural Development Bank. The framework used to guide the evaluation drawn from the reviewed literature.

In this study the independent variable for the study was CSR initiatives/activities and the dependent variable was firm' performance. The study assumed that in order for the firm (CRDB) to perform, there must be the things to be implemented by the bank that in turns will create benefits to the firm which are most important factors for the performance of the firm. Therefore the independent variables were CSR activities/initiatives implemented by the CRDB bank to the society which in turns created benefits to the firm and those benefits influenced indirectly and directly the performance of the firm (CRDB).

Figure 2.1 Theoretical framework



Source: Researcher's own model, 2016

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the methodology that used to guide the study. Kothari (2004) argued that" research methodology is a way to systematically solve a research problem" (p.8). Therefore comprises the study approach, research design, target population, sampling techniques and sample size, and methods of data collection used by researcher to get relevant data.

3.2 Study Approach

The study conducted in Morogoro municipality by involving five CRDB Bank branches that is Morogoro branch, Mandela branch, Mazimbu branch, SUA branch and Morogoro Agency branch. The bank chosen because of its vision and mission that provide a clear picture on why firms practice CSR activities. Other reason was that the bank has more branches than any other bank in Morogoro Municipal.

3.3 Research Design

Research design forms the basis or plan of the study. The research design refers to the overall strategy that one's choose to integrate the different components of the study in a coherent and logical way, thereby, ensuring it will effectively address the research problem, constitutes the blueprint for the collection, measurement and analysis of data (Malhotra, 2006; Marczyk, DeMatteo and Festinger, 2005). Aaker (2002) defined research design as the detailed blueprint used to guide a research study toward its objectives. Kothari (2004) referred it as a conceptual structure within which research is conducted; it constitutes the blueprint for the collections, measurement and analysis of data. There are numerous research frameworks used in research where their use and application based on the purposes of the study, the accessibility of information sources, the insistence of the judgments, and the charge incurred in attaining the data (Zikmund, 2000).However, the study employed a case study research design. The design was employed because the study deals with the single matter (CRDB) and therefore was easy to get relevant significant and available information. It also enabled to reduce time and cost wasting. Yin (2003), case study research design can be useful in particular on providing rich and detailed account of the phenomenon under the study.

3.4 Population and Sample size

3.4.1 Population of the study

According to Kothari (2004) population means a group of individuals or items that share one or more characteristics from which data can be gathered and analysed. Turner (2011) defined population of the study as a set of objects, which are the focus of the research and about which the researcher wants to determine some characteristics. Sekaran (2005), also defined population as a group of individuals, objects or items from which samples are taken for measurement or it is an entire group of persons or elements that have at least one thing in common. Anything you can count can be a population unit. But if you can’t get information from it, and you can’t measure it in some way, it’s not a unit of population that is suitable for survey research (Yin, 2003).

In this study, the target population consisted of employees of CRDB bank including the management staffs, senior staffs, lower cadre employees and customers of CRDB Bank. The advantage of selecting them was that most of them were aware of various issues on CSR hence they gave relevant answers on the topic.

Table 3.1 Population and sample size distribution

Categories of respondents	**Population**	**Number of respondents selected**	**Percentage of total population**
CRDB Bank employees	95	60	63.2
Customers of CRDB Bank	109	40	36.8
Total		**100**	**100**

Source: Field data 2016

3.4.2 Sample size

According to Graw (2003) a sample is a subset of population units. A sample is the selected portion to represent the whole population or area. The sample size for the study was selected purposively and conveniently from the population under the study as shown.

Table 3.2 Sample size and sampling procedure

Categories of respondents	**Number of respondents**	**Sampling Techniques**
CRDB Bank employees	60	Purposive sampling
Customers of CRDB Bank	40	Convenience sampling
Total	**100**	

Source: Field data 2016

3.5 Sampling Techniques

Kombo and Tromp (2006) defined sampling as the procedure a researcher uses to gather people, places or things to study. Sampling is a process of learning about the population on a basis of a sample drawn from it. Therefore, sampling techniques viewed as ways applied to draw samples from the entire population in a way that the sample will simplify determination of some hypothesis concerning the population. Concerning that the study employed non probability sampling technique to draw samples from the population.

3.5.1 Purposive sampling

Purposive sampling is a form of sampling in which the selection of the sample is based on the judgment of the researcher as to which subjects best fit the criteria of the study. At this sampling technique, a researcher used expert sampling technique with reason of obtaining deep information on CSR from management staffs or higher cadre employees of CRDB Bank as persons with known and demonstrated experience and expertise in CSR arena.

3.5.2 Convenience sampling

A researcher employed a convenience sampling technique to obtain a sample size from a large population of customers at CRDB Bank. The researcher used this technique because the costumers were on line to services. The technique helped a researcher to obtain a required sample in easiest way from large population of customers at the bank for an interview.

3.6 Methods of Data Collection

Different methods of collecting both primary data and secondary data were engaged during this study so as to get the relevant data to a problem. These methods were interview, questionnaire and documentary method.

3.6.1 Primary data collection methods

White (2002), primary data is the original data collected by researcher directly from the field for the purpose of answering a research question. Primary data collection methods employed during this study was interview and questionnaire methods

3.6.1.1 Interview method

According to Hessler (1992), interview may either be face to face or distant, also is very vital data collection tool when you collect information that involve the oral questioning or discussions. Yin (1994) affirms that the interview tool is very important source of getting information and it is helpful in handling case study related matters as the research design indicates. Interview method used to customers and some employees of CRDB Bank especially higher cadre officers. It was used for customers for the reason that they were only passing at CRDB Bank so it was impossible to give them questionnaires and return it. For the higher cadre officers was used to gather additional information that not given by some of respondents when filling the questionnaire. Addition to that it helped respondents to understand the questions.

3.6.1.2 Questionnaires

Shuttleworth (2008) defined questionnaire as a method of choice when the investigator wishes to gather evidence from a large number of respondents. In this study both open and close ended questionnaires were used (See Appendix I). Questionnaires were distributed to CRDB bank employees where they fill it and return to the researcher. All questionnaires were scanned to ensure they were well filled and others were returned to respondents and assisted on the questions asked. The reason of doing that was to ensure consistency of responses to the questions asked.

3.6.2 Secondary data collection

The secondary data is data used to comprehend primary data. It is the data which have been already collected by other researchers and published in the documents like newspaper, books etc. This study used documentary sources method to obtain secondary data.

3.6.2.1 Documentary sources

Scott (1990), documentary sources are written text produced by individuals and groups in the course of their everyday practices and are geared exclusively for their own immediate practical needs. The researcher reviewed different CSR documents of CRDB bank included CRDB bank website reports, pamphlets, annual CSR reports, annual corporate report, CRDB Bank CSR policies and circulars as well as CRDB Bank journals.

3.7 Validity and Reliability

Once the data collection activity has been done it is very important for a researcher to test the consistency and soundness of the data before analysing them. Validity can be defined as the degree to which a measure correctly represents the concept of a study (Hair *et al.*, 2006). In statistics, a valid measure is one which measures what is supposed to measure (Kothari, 2004). On the other hand, reliability can be defined as the degree of consistency between multiple measurements of a variable. Saunders et al (2003) defined reliability as the degree to which data collection methods yields consistent results or findings, the same results can be observable should different researchers employ the instruments in their studies. Neuman (2006), reliability is about demonstrating that the operations of a study such as data collection procedure can be repeated with the same results.

In this study a number of different methods were used to heighten the validity and reliability of the data collected. Firstly, a questionnaire was constructed through the support of others researchers. Hence forth, data collection tools were given and tried to 15 people before being used in the main study. This tested the soundness and consistency of the questions for obtaining the intended data from the respondents. The questionnaire later was modified on the basis of propositions given by those researchers. The researcher also conducted all interviews within the surroundings those were favorable and supportive to ensure accurate data collection. And all types of questions were used to different respondents in relation to objectives.

3.8 Data Analysis

According to Mohoney and Goertz (2006), data analysis means the phase of a study that includes classifying, coding and tabulating information needed to perform qualitative or quantitative analysis according to the research design and appropriate to the data. The purpose of analysing data is to summarise large mass of information to more understandable and meaningful way (Krishnaswami and Ranganatham, 2009). Creswell (1994), the process of data analysis is eclectic; Data analysis requires that the researcher be comfortable with developing categories and making comparisons and contrasts. It also requires that a researcher be open to possibilities and see contrary or alternative explanations for the findings as quoted by Ngowi (2015). Data collected by a researcher were divided into qualitative and quantitative data. Qualitative data analysed by using content analysis. Quantitative data analysed by using descriptive statistics analysis. These were summarised, coded and analysed by Statistical Package for Social Science (SPSS) and excel.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

4.1 Introduction

This section gives a detailed description of the data collected for the study and the procedure used to analyse the data. It also discussed the findings of the study. The chapter is divided into six parts. The first part is concerned with the response rate of the respondents. The second part is concerned with characteristics of the respondents which include sex, age, level of education and work experience of employees. The chapter also presents the factors for the establishment of CSR program and CSR activities practiced by the bank. It also presents the benefits of CSR and how they influence firm's performance. Lastly the chapter shows the constraints that faces CSR program in achieving the intended company goal.

4.2 Response Rates

Table 4.1 shows response rate for this report. A total of 100 people both employees of CRDB bank and customers were sampled of which 100 were successfully reached and provided information, yielding a response rate of 100 percent. For the questionnaire method used, 53 eligible employees were identified for filling the questionnaires; questionnaires were filled and completed with 53 employees of CRDB bank, yielding a response rate of 100 percent. In the interviewed of both higher cadres' officers of CRDB bank and customers, 47 eligible people were identified for individual interviews; interviews completed with 47 people, yielding a response rate of 100 percent.

Table 4.1 Response rates

Result	Questionnaire	Interview	Total
People selected			
CRDB bank employees	53	7	60
CRDB bank customers	0	40	40
Total people responded	**53**	**47**	**100**
Response rate (%)	**100**	**100**	**100**

Source: Field data, 2016

4.3 Characteristics of Respondents

Although it was not purpose of the study, this set of data was intended to describe demographic variables of the sample and to assess for any influence on the research findings. The characteristics of the respondents of this study included sex, age, education level and experience at work. In essence characteristics of the respondent can be used by an organisation or any individual to make better decisions.

4.3.1 Sex distribution of respondents

The result in table 4.2 show the number of customers and employees of CRDB bank in terms of sex distribution reached during the data collection process. The findings show that 51% were males and 49% were females. The number of male respondents interviewed was greater than that number of female respondents reached. By the way one can see that the majority of CRDB bank employees are female while customers servicing at the bank are males. Despite of a greater number of female employees, CRDB bank upholds a status of an equal opportunity employer to all.

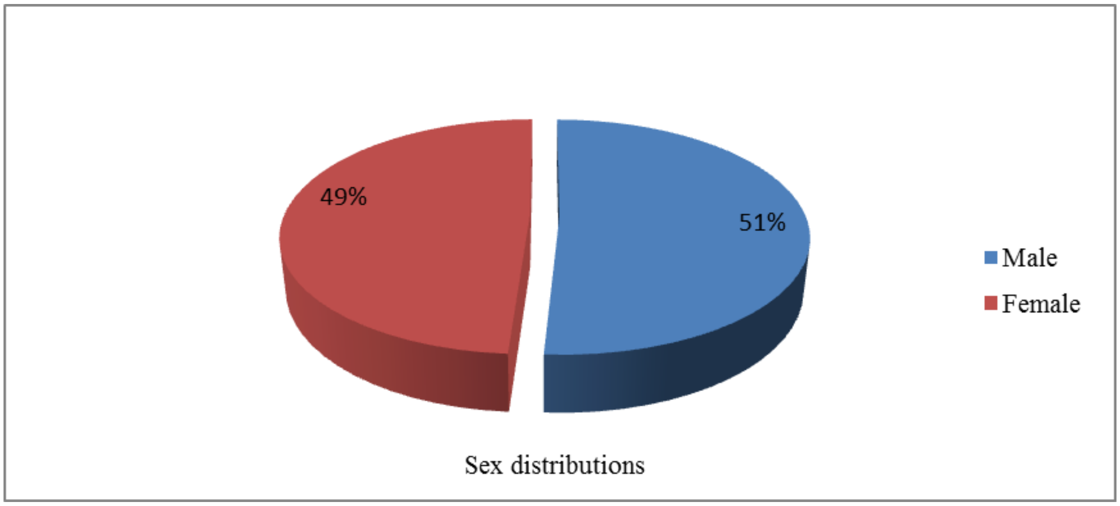
Table 4.2 Sex distribution of respondents

Sex	CRDB employees	CRDB customers	Frequency	Percent (%)
Male	21	30	51	51
Female	39	10	49	49
Total	**60**	**40**	**100**	**100**

Source: Field data, 2016

The data above is also shown by using the chart as shown in the figure 4.1 below;

Figure 4.1 Sex distributions of respondents

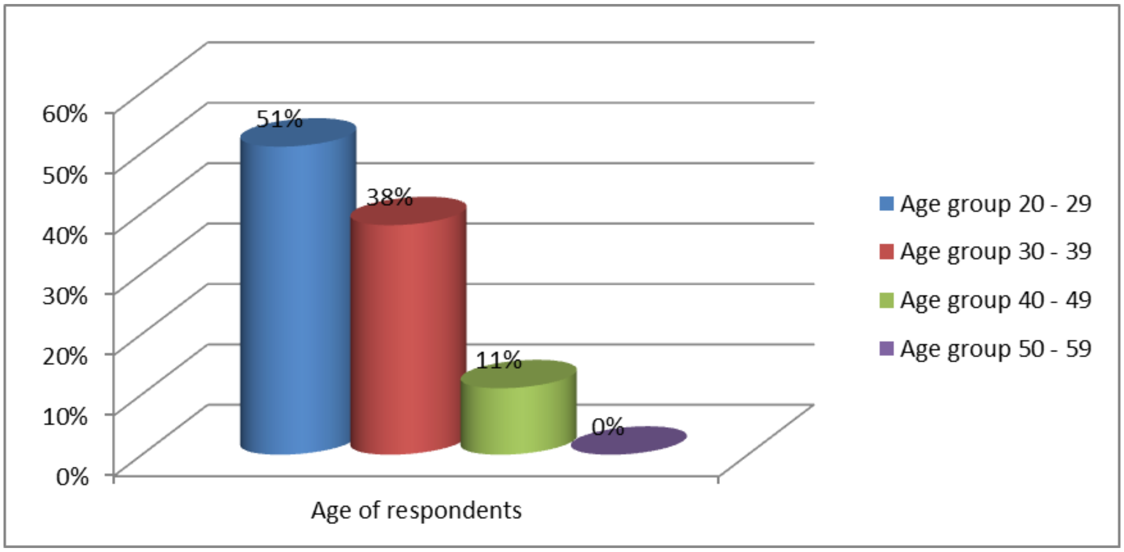


Source: Field data, 2016

4.3.2 Age distribution of respondents

Age is one of the most important characteristics in understanding respondent's views about the particular problem. Age also indicates level of maturity of individuals in your research response. In this study, the respondents' age was categorised into four age groups. The group ranges from 20 - 29, 30 - 39, 40 - 49 and 50 - 59. The findings show that the majority of the respondents (51%) had their age ranging between 20 and 29. The respondents age also followed by those ranging between 30 -39 who constituted 38% of the total respondents. On the bank side, this indicates that majority of people servicing at CRDB bank their age is ranging between 20 and 39 which is the most active and reproductive age group which also is important for future development, growth and survival of the bank. Studies conducted by (eg.,Davidson 1991; Storey 1994; Woldie, Leighton and Adesua, 2008) revealed that newer managers are very active, eager and able to work for long hours and perform better in their workplace than older managers. Therefore they are good resources for the development and success of the business.

Figure 4.2 Age distribution of the respondents



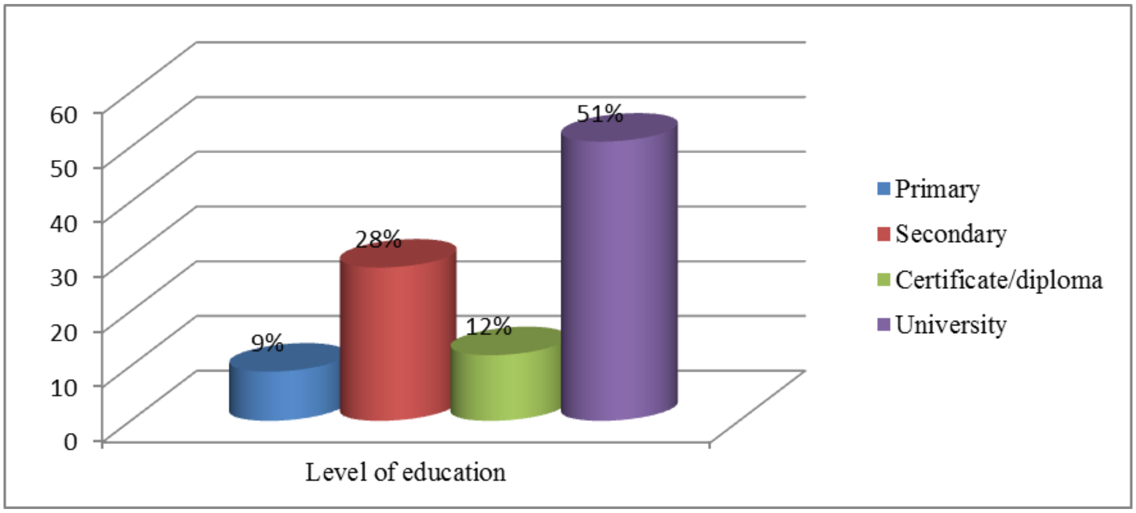
Source: Field data, 2016

4.3.3 Educational level of respondents

Education is the source of knowledge, skills, discipline, motivation and self-confidence (Cooper, Gimenogascon and Woo, 1994). Therefore it is one of the most important characteristics that might affect the person's attitudes and the way of looking and understanding any particular social phenomena. In a way, the response of an individual is likely to be determined by his or her education status thus it becomes vital to know the education level of the respondents. The findings show that 9% of respondents received primary education. 28% of respondents attended secondary school. 12% have diploma level of education. The findings also show that majority of respondents which is 51% attained a higher level of education which is university education. It is believed that people or employees with higher level of education such as university education are capable, clever and competent in managing their business compared to people with lower level of education. This was seen at CRD bank during the study where employees found to have higher level of education that help them to analyse and manage various things within and outside the company which facilitate the growth of the firm (Basu and

Goswami 1999; Shane 2007). It is also believed that firms run by employees with university degree have a higher propensity to growth than firms run by employees with low level of education. Figure 4.3 shows the level of education of respondents attained.

Figure 4.3 Educational levels of respondents

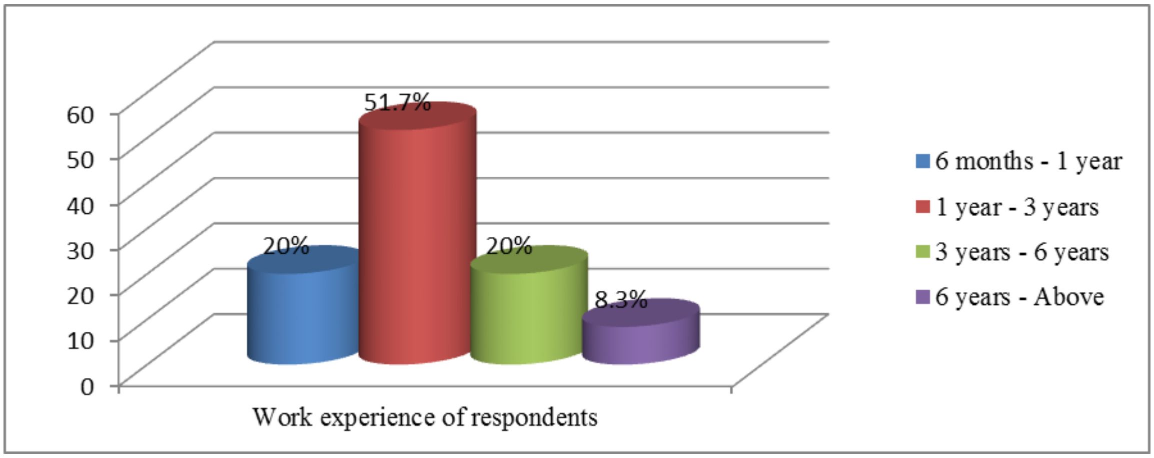


Source: Field data, 2016

4.3.4 Work experience of employees

Work experience is one of the most components of human capital like education. Experience helps individuals to have vast information in the mind that help them to apply in different areas and things (Ucbasaran, Westhead and Wright, 2008). The findings reveal that 51.7% of employees at CRDB bank have work experience between 1 to 3 years. Considering that people with a vast of experience can gather information than other people with low level of experience. Such level of experience tend to add towards building up the employee's knowledge base, developing access to market information and business networks, and refining professional competence (Basu and Goswami 1999). The variable 'work experience' data is presented in figure 4.4

Figure 4.4 Work experiences of CRDB employees



Source: Field data, 2016

4.4.1 Understanding of corporate social responsibility

Two meanings were used to measure the understanding of the respondents on the concept of the corporate social responsibility. These meanings included CSR as company strategy for profit maximisation and CSR as voluntary contribution towards a better society. As far as understanding is concerned, it was found that 44% of the respondents understood CSR as company strategy for profit maximisation. Likewise, 56% of the respondents interviewed understood CSR as voluntary contribution towards a better society. This reflects findings from other literatures which show that most of the people understand the CSR as a voluntary activity only and has no any effects to the firm. This understanding on the concept is quietly due to the fact that the nature of CSR program itself is based on solving the people’s challenges hence become understandable as charity program.

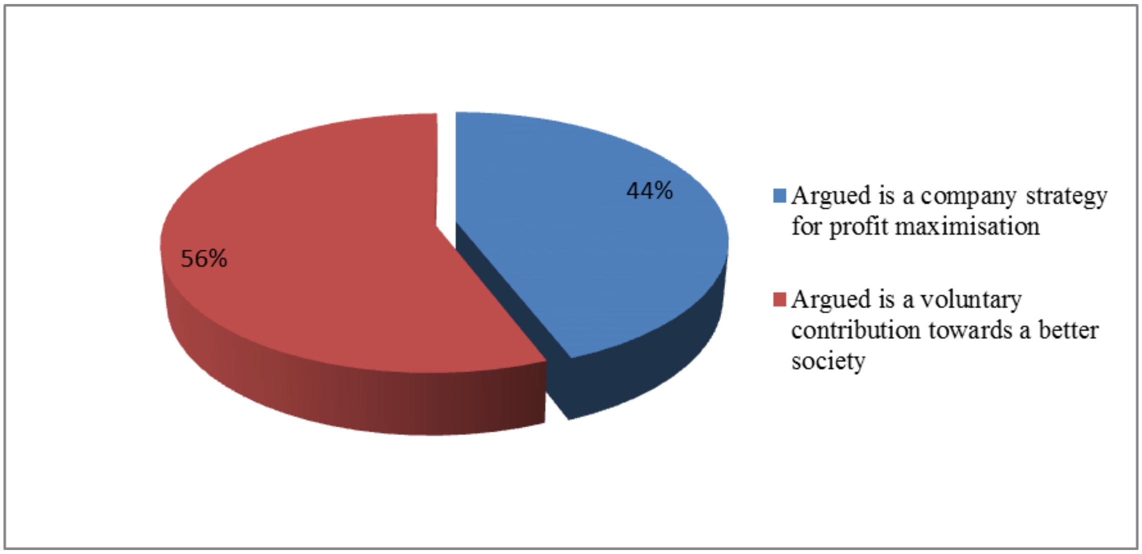
Table 4.3 Understanding of corporate social responsibility

Understanding of CSR	Frequency	Percent (%)
Is a company strategy for profit maximisation	44	44
Is a voluntary contribution towards a better society	56	56
Total	**100**	**100**

Source: Field data, 2016

The data above is also shown by using the chart as shown in the figure 4.5 below;

Figure 4.5 Understanding of corporate social responsibility



Source: Field data, 2016

4.4.2 Factors influencing the establishment of CSR program

Any program that is established by companies should have good reasons behind its establishment. This means that in order for a program to be established, the company should see the potential for the program to bring returns to the company. Therefore the study was longed to understand the factors influencing the establishment of CSR program.

The study findings show that CRDB Bank engaged in CSR program in order to respond to the external demand. These demands including markets, stakeholders' expectations, government regulations, better relationships with governmental and non-governmental organisation etc. By meeting these external demands the bank has improved its position in the industry compared with its competitors. Likewise, the results show that the bank engaged in CSR activities for legitimacy reasons. The study revealed that the only way to achieve legitimacy is to meet the stakeholders' desires. Therefore engagement is due to the fact that the society provides important benefits to the corporation hence the corporation obligated to promote society's interest in return. The study conducted by Ofori et al (2014) in Ghana also revealed that banks are motivated to practice corporate social responsibility by legitimate reasons that help them to exist. The argument is similar with Chen et al (2008) who posit that CSR is used as a tool of legitimisation.

However, the bank engaged in corporate social responsibility activities for solving society problems. The bank officers reported that, society has numerous problems that existed for many years such as poverty, diseases, pollution etc. These problems need to be solved by large corporation like CRDB bank. If these problems are not solved will ultimately affect the bank services. In addition they believe that business must not only be in business for the business but must also be in business for the community in which it operates, which means it must be concerned with the welfare and wellbeing of the society. Further, the results show that CRDB bank engaged in CSR for maintaining corporate sustainability. It is quite true that every firm's sustainability is depending on the existence of the community. Therefore, the bank decided to engage in corporate social responsibility so as to have a long term community support. A long term community support helps the company to build a strong reputation in and outside the company (McKinsey, 2010).

However, stiff market Competition also revealed to be a main factor for CRDB to engage in CSR. Due to the stiff competition in the industry, banks started to find other ways that could differentiate them with others. Among the strategies used to differentiate them with others was to engage in CSR activities. When bank officers asked they reported that, CRBD bank executives believe that CSR creates a competitive advantage for firms thus leading to greater market share. They believe that investing in CSR tend to differentiate a company from other competitors' bank by engendering consumer and employee goodwill (McWilliams and Siegel, 2001). They also believe that if they are not exercise the CSR activities they will be in danger of losing consumer trust and loyalty.

Moreover, corporate image reinforcement was indicated by the respondents as a factor influenced a bank to engage in CSR. Therefore the executives believe that the success of the CRDB bank is depending on the image of the organisation which they thought a good way to reinforce it, is by engaging in CSR initiatives. In addition, other respondents acknowledged that corporate social responsibility activities enhance the company's image since the program was established.

4.5.1 The main sectors that CRDB bank targets in implementing CSR program

In order for the firm to achieve its goal, there must be a sector that the firm will depend on it for acquiring the wealth. That sector is taken as a benchmark for the company growth and sustainability. The findings from the study show that CRDB bank's CSR program targets three main sectors; those are health sector, education sector and business sector. In an interview with the bank officers, it was reported that, the bank targeted those sector because they are in line with the bank strategic plan. It was also reported that the main stakeholders of the bank comes from those sectors therefore it is important for the bank to invest enough money to ensure those stakeholders are economically well.

4.5.2 Corporate social responsibility actions practiced by the CRDB bank

The study attracted in identifying the corporate social responsibility actions or activities practiced by CRDB Bank in Morogoro municipal. The key activities were based on the main sectors that mostly targeted by CRDB Bank. These key activities were categorised into health projects, education projects, and entrepreneurship projects.

Health projects. The respondents reported that the bank has invested enough money in health projects in Morogoro municipal council compared to other firms in the same industry. The bank implemented various projects such as construction of buildings, offering equipment and other needs the hospitals in Municipal needed such as beds, medicine, wheel chairs, bed sheets etc. In an interview with the bank officers, it was reported that, the bank built and renovated Morogoro regional hospital wards and offered bed sheets, beds, mattress and other equipments like wheel chairs, tents etc. The officers also reported that they supplied materials to other health facilities like Mafiga health centre and Mwembe Songo dispensary. In an interview with the customers, they reported that they appreciate what the bank did at the regional hospital and to the other health centres in Morogoro Municipal. More and interestingly, study found that the aim of doing that was to ensure the bank have active stakeholders with good health for production.

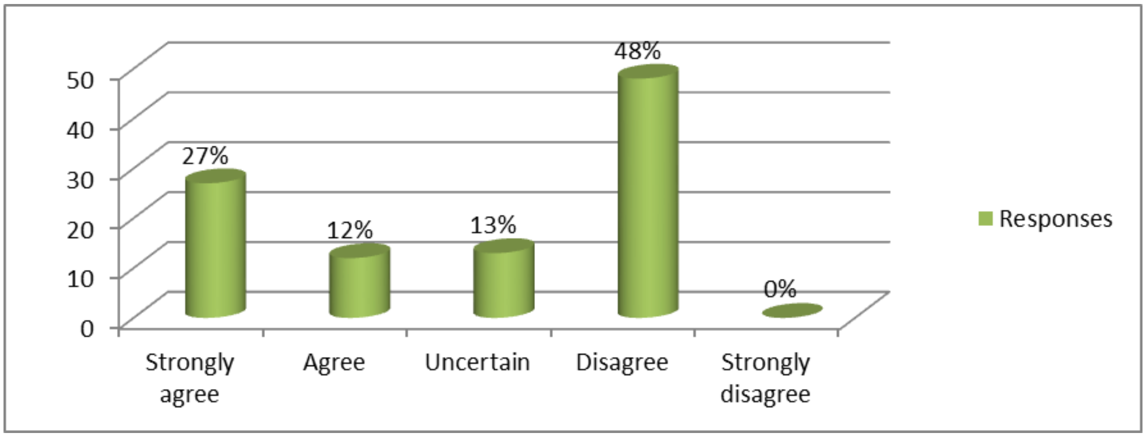
Educational sector. The study also found that the bank supported and invested funds in education sector. Various projects like rehabilitation of classrooms, construction of school infrastructures, provision of learning materials and awarding the best students. The respondents reported that, the bank accepts and invest more in educational sector than other sectors as the bank understand the role of education bringing changes in the community which is a base for the bank development and community in general. In an interview with the stakeholders/customers of CRDB they reported that the bank supported very well the education sector compared to other sectors in Morogoro Municipal. They reported that the bank constructed and rehabilitated various classrooms, constructed and repaired laboratories and offered learning materials several time in Morogoro Municipal schools

Business sector. The study found that the bank has supported various business activities in Morogoro municipal. Among those business activities were VICOBA, entrepreneurship training and development, provision of low interest loans etc. The study also revealed the aim of doing that by the bank was to ensure its stakeholders have stable economy which can help them to do business with the bank in return. It was also found that, business support projects aimed to attract and retain stakeholders and become loyal to the bank which is the base for firm financial performance.

4.5.4 Corporate social responsibility pays the bank

0In addition to the question asked on the amount of fund that invested in CSR projects by the CRDB Bank, there was another question intended to find out whether or not those amounts of fund invested by CRDB Bank in CSR projects pays the bank. The findings indicate that 27% of the respondents have strongly agreed that the invested money in CSR projects pays the bank. Other respondents 12% agreed that CSR pays the bank. Some other respondents 13% were uncertain if CSR pays the bank. About 48% of the respondents disagreed that the CSR does not pay the bank. In fact, the majority of these respondents had no awareness on the concept of CSR and why it is established by the firms. This result is found to be consistent with other studies carried worldwide, which found that the majority of people understand the CSR as voluntary social efforts that transcend legal regulations (Davis, 1973; Van Marrewijk, 2003; McWilliams and Siegel, 2001).

Figure 4.6 Corporate social responsibility pays the bank



Source: Field data, 2016

4.6. The Benefits of CSR and the Performance of the Firm

The main aim of this study was to understand the benefits caused by CSR initiatives and how those benefits influence the firm performance. The researcher identified the benefits of CSR which hence given to the respondents (53 employees of CRDB bank only) to tick them according to their preferences. The identified benefits came from a broad review of the collected works relating to corporate social responsibility. The summary of the findings indicated in the table 4.4 below.

Table 4.4 The benefits of corporate social responsibility on the firm

Benefits of CSR	**Respondent choice**			
	Strongly agree	**Agree**	**Uncertain**	**Disagree**
Improves organisation image and identity	51	2	0	0
Stakeholders retention	43	5	0	0
Enhances good public relation	49	4	0	0
Brand recognition and reputation	53	0	0	0
Enhances customer trust and loyalty	47	5	1	0
New market opportunity	19	23	11	0
Improves investors trust	48	0	0	0
Enhances employees' morale	0	36	9	8
Increases competitive advantage	14	18	14	7

Source: Analysed data, 2016

Improves organization image and identity. The result in Table show that majority of the respondents (51) strongly agreed that the improvement of the organisation image and identity is a benefit of CSR; while 2 of the respondents were only agreed. The findings indicate that the firm engaging in CSR its image and identity becomes well recognised in the minds of customers as well as investors which in turns facilitates the performance of the firm. Building on the same argument, the bank officers revealed that the organisation image is the major benefit that the bank gains from CSR activities. The image they have in the eyes of the local community is very positive which influences customer trust hence organisational performance.

To sum up, studies show that companies involving in CSR are suggested to have positive impacts on both internal and external stakeholders as CSR practices improve their business image. By practicing CSR externally, companies may reinforce the positive image to the public and their employees and establish better relationships with the government and local communities.

Stakeholders' retention. The respondents were asked if stakeholders' retention is a benefit of CSR activities. The result shows that 48 respondents out of 53 strongly agreed that the practice of CSR activities contribute to stakeholders' retention in the company. 5 respondents were just only agreed that is a benefit. The findings of this study provide strong support for this benefit on the performance of the firm. In fact, the study found that stakeholder retention has a significance influence on the performance of the firm. That is, without retaining the stakeholders such as employees, customers, suppliers and community at large the company cannot afford to generate its long term value maximisation (Jensen, 2001). This argument also corresponds to Cornel and Shapiro (1987) who asserted that failure to meet the expectations of various stakeholders will generate market fears, and consequently, will increase corporate's risk premium and ultimately result in lost profit opportunities.

Enhances good public relation. Respondent were asked whether CSR practices enhances good public relation between the corporate and the public. The results show that majority of the respondents (49) strongly agreed that CSR practice enhances good public relation; while other respondents (4) agreed that CSR practice enhances public relation between the corporate and the community where projects are implemented. In an interview with bank officer dealing with social responsibility issues, reported that, at their bank CSR program have been taken as a public relation tool since through its implementation it creates a relationship between the bank and the society. In fact, the public become aware and understand the presence of every firm when the firm itself communicates its presence on the communities. Therefore through CSR initiatives the firm communicates its presence and become understood and appreciated by the communities hence building good relationship between that firm and society at large.

Brand recognition and reputation. The study was also interested to know whether brand recognition and reputation are the benefits of CSR. The findings show that all 53 respondents were strongly agreed that, doing CSR activities increases the brand reputation and recognition. This finding is consistent with the previous findings on the CSR that firm with better CSR have a much higher ability to foster desired supportive behaviours among consumer, including buying their products, recommending their company or trusting the company to do right thing when faced with difficulties. CSR also is impacting how investors, consumers, activists and communities respond to brands with not only with their wallets but with their employment choices, their influence, and their consumption and purchasing behaviours (Andrew, 2015).Therefore brand recognition and reputation increases firm's value performance

Enhances customer trust and loyalty. Customer loyalty and trust are increasingly recognised as crucial for businesses to gain a unique and advantageous position over their competitors. This study was interested in understanding whether CSR practices enhance customer trust and loyalty at the bank. When respondents asked about it, 47 respondents out of 53 strongly agreed that CSR practice enhance customer trust and loyalty; while some other respondents 5 were just agreed that CSR contributes to the enhancement of customer trust and loyalty; whereas minority of the respondent (1) was uncertain if the CSR can enhance the customer trust and loyalty.

In an interview with the officers of the bank it was reported; the bank CSR activities have enhanced the customer trust and loyalty in great extent. Customer loyalty and trust are one of the most essential behaviours of consumers that CRDB bank endeavors to influence through the use of CSR as a marketing tool. Loyal and trustful customers are the lifeblood of an organisation regardless of its scale and scope. In another study conducted by Choi and Suna (2013) it was found that CSR activity has a significant impact on customer trust and loyalty and that customer trust serves as a key mediating variable in service delivery.

New market opportunities. A market opportunity refers to the chances that firm can acquire for investment purposes which in turn generate and maximise wealth. When the respondents asked about the market opportunities as one of a benefits of CSR, 23 respondents were just agreed that CSR can influence new market opportunities; other respondents (19) were strongly agree that CSR practice tend to influence and open new market opportunities; while 11 respondents were uncertain if corporate social responsibility practice can open new market opportunities. In fact corporate social responsibility used by the firms to create market opportunities as it is used to turn a social problem into economic opportunity and economic benefit into productive capacity into wealth (Drucker, 1984). In addition, Porter and Kramer (2006) in their study found that practicing CSR activities can lead to market opportunities and innovations.

Improves investors trust. In addition to the new market opportunities as a benefit of CSR, there was another CSR benefit that was asked to the respondents. That CSR benefit was improvement of investors' trust. The findings indicate that over half of the respondents (48) strongly agreed that practicing CRS activities improves investors' trust on the firm. It is evident that institutional investors are argued to favour investing in firms with better CSR ratings. CSR represents a major criterion used by institutions in making their investment decision (Graves and Waddock, 1994). Building on the same argument, Brammer and Millington (2004) in their study about the relationship between institutional investors and firm CSR, further noted that long term institutional investment is positively related to CSP, suggesting that institutional investors have more incentives to invest in socially responsible firms.

On the performance of the firm, the study found that investors tend to have a voting power that increases over time by increased activism in their involvement in firms' strategies. It should also be noted, that institutional investors, once they are in, they are better able to make the fit between any projected social engagements and the firm's best interests, also they are better able to minimise any losses by giving credibility to the firm's action (Peterson and Vredenburg, 2009). More, the study by Scott (2014) found the same that, institutional investors' presence pushes for more research and development investment which intends to engender long term profits and enhanced performance.

Enhances employees' morale. Morale is defined as the depiction of emotions, satisfaction and overall attitude towards a workplace. Hence, the respondents were also asked to indicate if the CSR practice has a relationship with the improvement of employees' morale. It was found that majority of respondents (36) out of 53agreed that CSR practice improves their morale at work. Other respondents (9) were uncertain whether CSR improves the employee's' morale or not; while 8 respondents disagreed if CSR improves the employees' morale.

In an interview with CRDB bank officers, it was reported that, the bank knows and understand the practice of CSR has considerable influences on many functions of human resources management including improving employees' morale and commitment. The bank officers said that, practicing CSR by their firm play a major role in increasing the satisfaction of employees which in turns improves high morale at work. In fact employees' morale has been enhanced when participating in workforce volunteer programs (CSR) which normally tend to improve job satisfaction and decrease employee turnover. Additionally, Geroy et al, (2000) in their study indicated that employee volunteer program have gained great popularity because more and more companies realise that these activities enhancing employee morale and increase profitability

Increases competitive advantage. The results in table 4.4 show that 14 respondents strongly agreed that CSR increases competitive advantage; 18 respondents were just agreed it as a CSR benefit; while 14 respondents were uncertain with that. Likewise 7 respondents disagreed with it as a benefit of CSR. But in an interview with the bank officers it was reported that, CSR increases competitive advantage against the competitors in the industry. They contend that CSR is used to influence the competitive context of an organisation which allows the organisation to improve its competitiveness and at the same time fulfill the needs of some of its stakeholders.

Moreover, the study found other benefits that received by the bank from CSR activities such as reduction in public relation costs as CSR serves as public relation tool in other way; it was also found that CSR helps the bank to be more attractive to employees which make low turnover rate of new employees, thus decreasing the recruitment and employee training costs. However, the other respondents stated that CSR practice improves and boosts employee productivity at the bank; while other reported that CSR tend to reduce long run cost and increase social responsible demand.

4.7 Major Constraints Facing CRDB Bank CSR Program in Achieving the Goals

This section describes and discusses the constraints that CRDB bank's CSR program faces in its implementation. The study was interested in understanding the main constraints that limit the CSR program in achieving its goal. The study found that there were innumerable constraints but the key ones were analysed and discussed here as were mentioned by the respondents.

Globalisation. Globalisation is a process of interaction and integration among the people, companies and governments of different nations. As a process it has effects on the environment, on culture, on political systems, on economic development and on human physical wellbeing in the society. The study found that globalisation tends to destroy fair business and principles, norms and regulations which are mainly caused by stiff competition in the same industry. Also was found that globalisation produces inequalities in the community. On the side of the firm, the rights and working conditions of employees can also be bad due to globalisation. Therefore, there is no doubt that globalisation has various challenges on socially responsibility of a company and behaviour of managers.

Population growth. Rapid population growth was among the highest perceived constraints that the bank faces in implementing its CSR program. Population growth tend to affect the provision of services for the people where the bank targets. Where population growth rates remain high and increased pressure is placed on limited natural resources to meet the growing demand for production (Ngowi 2015). Therefore it is difficult for the bank CSR program to meet and offer the services to the whole population in Morogoro municipal.

Overwhelming poverty. An overwhelming poverty was another major challenge mentioned by the respondents. Overwhelming poverty affect the extents to which CSR programs are implemented. Overwhelming poverty may work against education, health and entrepreneurship related CSR.

Decision on project to implement. The bank has been implementing various corporate social responsibility projects to the community including health project, education project, environmental project as well as entrepreneurship project. Despite of those implemented projects the study found that the bank has been in a hard time to choose kind of project to implement that will really benefits the community and at the same time maintain the corporate image to the society. Furthermore, the study found that, decision making on project to implement have been a hard task to managers as they are required to make decision which can increase the wealth of stockholders while on the same time they should make those decisions that go beyond the owner’s wealth maximisation to groom the society. The finding is relate to the study conducted by

Wright and Ferris (1997) who asserted that determining who is to benefit from the CSR project is a challenge.

Inadequate CSR budget. Inadequate budget in implementing corporate social responsibility activities was also perceived as the main constraint to the bank. The budgets allocated by the bank for CSR activities are always outcompeted by other projects which guarantee higher return on investment (Faisal, 2010). Additionally, the findings show that the budgets allocated for CSR are not steady at all since when there is a crisis in the economy usually the first budgets of the bank to be axed are those for CSR initiatives (Mutembei, 2012). The finding is also consistent with the study conducted by Griffin and Mahon (1997) who reported that the amount of funds to be set aside for the CSR activities are not always enough. The findings also indicates that low CSR budget and misappropriation of have been affecting in high extent the implementation of banks' corporate social responsibility program (Mbogoh, 2014

Lack of community awareness. Community awareness is recognised as a process by which human beings and societies can reach their fullest potential (Pande et al, 2012). Community members in Morogoro Municipal are required to be aware with CSR activities that have been implemented by the CRDB bank which benefit them in one way or another. The findings show that most of people are not aware with the importance of CSR projects implemented to them. Therefore decreases their participation in implementing and maintaining them. It also affects effective participation of communities in the services delivered by CRDB bank (Ngowi, 2015). A study by Pomering and Sara (2009) concluded that consumers had low awareness of the CSR practices of banks.

Lack of CSR department. In order for the firm to implement its CSR program effectively, there must be a unique department with competent human resources those deals with all corporate social responsibility issues including planning, organising, directing and executing the strategies. Interestingly, the study found that there is no dedicated department that manages CSR. In many cases the responsibility to manage CSR program is assigned to other departments whose performances appraised based on their original scope of duties. The results also show that in that department there is a shortage of qualified employees with the relevant knowledge and experience adds to the problem of implementing CSR.

Lack of top management commitment. The findings also revealed that the bank lacks the top management commitment on CSR program which affect the effective implementation of the program. CSR must be led, formalised and introduced from the top of the organisation to the bottom. By expressing their commitments the management should incorporate the CSR strategy into a company's mission, vision, objectives and goals (Husted, 2003). However, the study found that the bank are only addressing CSR at the operational level and have not integrated them in their vision and strategic objective.

The study also found other challenges that affect the implementation of CSR. Results indicated that the greatest other challenges to the implementation of corporate social responsibility were; the High tax rate that imposed by the government on things used and directed by the bank to serve the community. In addition, climate change found to have profound effect on the environment which hence caused vulnerability. Furthermore, the stiff competition in the industry was also found to affect the implementation of CSR program either positively or negatively.

CHAPTER FIVE

SUMMARY, CONCLUSION AND POLICY IMPLICATION

5.1 Introduction

The previous chapter dealt with analysis, presentation and discussion of data obtained from the field by the way of interviews and questionnaires. In this chapter, a brief summary on the research will be presented. Conclusion on the study and policy implication as well as areas for further study will be presented. The chapter starts with the summary of the study followed by conclusion and recommendation and policy implication as well as areas for further study.

5.2 Summary

Following various challenges companies faced in their operations; firms started to find better ways that could assist them to resolve their problems. Among those better ways, the establishment of CSR program was one of the better ways identified. CSR is a social action which is used by the firms to meet the internal and external demands that affect firms in one way or another. Since then many firms establish and engage in it and spend huge amounts of funds to meet those internal and external demands.

The findings from the study revealed that the bank established the CSR program for various reasons such as legitimacy reasons, moral obligations, for bank sustainability and for the competitive advantages. It was also found by the study that CRDB Bank targeted three main sectors that were health sector, education sector and business sector in which the bank invested a large amount of money in implementing various projects in Morogoro Municipal Council such as education projects, health projects, entrepreneurship projects, environment projects etc.

Further, the findings from the study revealed the benefits of corporate social responsibility on the firm and how they influence the performance. The benefits found were stakeholders' retention, improved employees morale and improved investors trust.

Likewise, the study revealed that CSR improves customer trust and loyalty. Other benefits found by the study were improved corporate image and identity and new market opportunities. Interestingly, the study found that these CSR benefits facilitate the performance of the bank.

Moreover, the study found numerous constraints that limit the bank's CSR program to achieve the intended goal. The constraints found were inadequate budget, globalisation, overwhelming poverty and advancement in technology. The study also found other constraints like lack of community awareness on the projects implemented, population growth and high tax rate imposed on the service offered to the community.

5.3 Conclusion

There is no doubt that there are numerous benefits that firms' reaps by engaging in corporate social responsibility initiatives. Based on the study findings several conclusions can be drawn. It can be concluded that corporate social responsibility has innumerable benefits that a firm receives compared to the cost used in its implementation. Through corporate social responsibility initiatives the bank was able to improve its corporate image and gain competitive advantage over its competitor. This makes the bank to perform well in Morogoro Municipal compared to other banks. Furthermore, it can be concluded that firm did not disclose its corporate social responsibility (CSR) reports which shows the benefits that a bank reaped from CSR initiatives. This makes the stakeholders and other community members to be unaware on the role played by CSR to the firms. Additionally the study concluded that, the bank through CSR initiatives was able to address the community needs. Moreover, the bank through CSR initiatives has achieved the goal despite of various constraints like inadequate budget, population growth, technological advancement, overwhelming poverty etc.

5.4 Recommendation and Policy Implication

It should be noted that while this study makes a number of contributions on CSR benefits, there are some important things to be recommended.

Firstly, CRDB bank has to disclose its corporate social responsibility initiatives reports showing the benefits that it has achieved from CSR investments as it was found that many stakeholders are not aware with the benefits generated by Corporate Social initiatives on their firm.

Secondly, the bank should increase the amount of fund from the profits that bank receives to invest in corporate social responsibility initiatives as the amount or percentage of profit budgeted and invested in corporate social initiatives was found to be very low in relation to the profits the bank receives. Also the bank should ensure that, the budget planned is enough and stable to meet the program goal. By making that, the bank will not only achieve its goal but also may help the bank to compete with its competitors.

Thirdly, the corporate social responsibility program or strategy should be embedded in corporate culture where all people from the top level to the bottom to be aware and able to communicate it. By communicating it from all levels of management, the strategy hence will bring competitive advantages.

5.5 Limitation and Delimitation of the study

5.5.1 Limitation of the study

Always in any piece of work, problems are there to be faced. The study encountered some limitations such as; delay in acceptance for data collection at CRDB Bank and delay in respondents' response due to their busy schedule at the work place. Another limitation was a distance between the researcher and the place for data collection as he was coming from Kongwa district council in Dodoma region where his duty station was.

The last one was a language used to customers as most of them didn’t speak english language

5.5.2 Delimitation of the study

i) Data collection tools designed to collect necessary information and data methods scheduled by a researcher
ii) Following the delay in acceptance for data collection a researcher used his friends working at CRDB to penetrate and distribute questionnaires to other employees to fill it.
iii) After acceptance, researcher used a bank supervisor to mobilise other workers to respond quickly to the work given by a researcher.
iv) Following a distance between him and place of data collection, a researcher gave respondents a time table for meeting with them for data collection activity
v) By the way, Swahili language was used especially to customers to break communication barriers where English language was a problem

5.6 Areas for Further Study

This study examined the benefits of corporate social responsibility on firm performance. Further studies should address the role of corporate social responsibility on poverty alleviation as well as community development. In addition, it may be important to assess the government regulations and laws governing firm’s corporate social responsibility as it was found that, firms practicing it voluntarily and not compulsory.

Further, the study involved a single unit and few people as respondents, therefore it’s impossible to generalize the findings of the study. Hence other studies should be carried by involving many institutions and large portion of population so as to make it valid for generalization of the findings.

REFERENCES

Aaker, D.A. (2002) *Building strong brands*. London, England: Simon and Schuster

Almsafir, M.K. (2014). Does corporate social responsibility lead to improve in firm financial performance? Evidence from Malaysia. *International journal of Economics and finance,* 6(3), 126-138

Andersen, M. L., & Olsen, L. (2011). Corporate social and financial performance: A canonical correlation analysis. *Academy of Accounting and Financial Studies Journal, 15*(2), 17.

Becker-Olsen, K.L, Cudmore B.A, and Hill R.P (2006). The impact of perceived corporate social responsibility on consumer behaviour. *Journal of Business Research*, 59(1), 46-53.

Beomjoon, C. and Suna, L (2013). The impact of corporate social responsibility and customer trust on the restoration of loyalty after service failure and recovery. *Journal of service marketing, Vol*. 27 pp. 223-233

Bowen H.R. (1953). *Social responsibilities of the businessman*. New York: Harper and Row.

Barnett, M. L. (2007). Stakeholder influence capacity and the variability of financial returns to corporate social responsibility. *The Academy of Management Review, 32*(3), 794-816.

Branco, M. C., & Rodrigues, L. L. (2006). Corporate social responsibility and resource-based perspectives. *Journal of Business Ethics, 69*(2), 111-132.

Carr, A.Z. (1968). Is business bluffing ethical. *Harvard Business Review, Vol. 46 No. 1* pp.143-146

Carroll, A.B. (1999). Corporate Social Responsibility: Evolution of a Definitional Construct. *Business and Society, Vol. 38 No. 3, pp. 268-295*

Clarkson, M.B.E. (1995). A stakeholder framework for analyzing and evaluating corporate social performance. *Academy of management review, Vol. 20 No. 1*, pp. 92-117

Cooper, A.C., Gimeno-Gascon, F.J., and Woo, C.Y. (1994), "Initial Human and Financial Capital As predictors of new venture Performance', *Journal of Business venturing*, 9(5), 371-95

Cox, P. Brammer S. and Millington A. (2004). An empirical examination of institutional investor preferences for corporate social performance. *Journal of business ethics,* 52(1)

Creswell, J.W. (2002). *Research Design: Qualitative, Quantitative and Mixed Methods Approaches Second Edition.* New Delhi: Sage Publications Inc.

CRDB (2014). CRDB Bank: 2014 Annual report: CRDB Bank Dar es Salaam

Davis, K. (1967). Understanding the social responsibility puzzle: *Business Horizons, Vol.10, No.4*, pp. 45-51

Davis, K. (1973). The case for and against business assumption of social responsibilities. *Academy of Management Journal, Vol. 16, No. 2*, pp. 312-322

Deegan, C. and Unerman, J. (2011). *Financial accounting theory*. Sydney: McGraw-Hill

Deegan, C. (2002). The legitimising effect of social and environmental disclosures-a theoretical foundation. *Accounting, Auditing and accountability Journal, 15 (3)*,283-311

Fiori, G. Donato, F. and Izzo, M.F. (2007). *Corporate social responsibility and firms performance. An analysis on Italian listed companies*

Freeman, R.E. (1984). *Strategic Management: A stakeholder perspective*. Englewood Cliffs, New Jersey. Prentice Hall

Friedman, M. (1962). C*apitalism and Freedom.* Chicago and London: University of Chicago Press

Friedman,M. (1970, September). The social responsibility of business is to increase its profits. *New York Times Magazine*, pp.13

Geroy, G., Wright, P., and Jacoby, L. (2000). Toward a conceptual framework of employee volunteerism: An aid for the human resource manager. *Management Decision* 38.

Gove, S. and Janney, J. J. (2011). Reputation and corporate social responsibility aberrations, trends, and hypocrisy: reactions to firm choices in the stock option backdating scandal. *Journal of Management Studies, 48 (7)*

Graves, S.B and Waddock, S.A (1994). Institutional owners and corporate social responsibility. *The academy of international journal of business management*

Griffin, J and Mahon J (1997). The corporate social performance and corporate financial performance debate: twenty-five years of incomparable research. *Business and Society* 36(1), p 5-31

Harrison, J.S.; Freeman, R.E (1999). Stakeholders, social responsibility, and performance:Empirical evidence and theoretical perspectives. *Academicy. Management. Journal, 42*, 479.

Harpreet, S.B. (2009). *Financial Performance and Social Responsibility*: Indian scenario

Helg, S. (2007). Corporate Social Responsibility from a Nigerian perspective. Unpublished masters thesis, Handel shogsklan Vid Doteborgs Universitet

Herremans, I. M., Akathaporn, P., & McInnes, M. (1993). An investigation of corporate social responsibility reputation and economic performance. *Accounting, Organizations and Society, 18*(7),

Henderson, D. (2005). The role of business in the world of today. *Journal of Corporate Citizenship, Vol. 17*, pp. 30-32

Hull, C. E., & Rothenberg, S. (2008). Firm performance: The interactions of corporate social performance with innovation and industry differentiation. Strategic management Journal 29(7)

Hull, C. E., & Tang, Z. (2012) How corporate social responsibility engagement strategy moderates the CSR financial performance relationship. Journal of management studies, 49(7)

Huseild, M.A. (1995). The impact of human resources management practices on turnover, productivity and corporate financial performance. *Academy of management journal* 22 (2) p. 125.

Jensen M.C (2001). Value maximization, stakeholder theory and the corporate objective function. *Journal of applied corporate finance Vol*.14 *No* 3

Kanwal, M., Khanam, F., Nasreen, S. and Hameed, S. (2013). Impact of corporate social responsibility on the firm's financial performance. *Journal of Business and management, 14*(5), 67-74

Kombo, D.K. and Tromp, D.L. A. (2006). *Proposal and Thesis Writing*. Nairobi: Pauline Publications.

Kothari, J (2004) Research methodology and techniques: Bangalore, India

Levitt, T. (1958). The Danger of Social Responsibility. *Harvard Business Review, Vol. 33* No. 5, pp. 41-50

Marrewjik M.V (2003). Conception and definition of corporate social responsibility and corporate sustainability: between agency and communion. *Journal of business ethics Vol.* 44 *No*. 2/3 pp. 95 – 105

McWilliams, A., and Siegel, D. (2001). Corporate social responsibility: a theory of the firm perspective. *The academy of management review*, 26, 117 - 127

Matten, D., Crane, A. and Chapple, W. (2003). Behind the mask: revealing the true face of corporate citizenship. *Journal of Business Ethics, Vol. 45 No. 1/2,* pp. 109-120

Mbogoh, E. (2014) Challenges of implementing corporate social responsibility strategy by commercial bank in Kenya. Published master dissertation,University of Nairobi.

Mbokigwe, S. (2013). Corporate social responsibility reporting practices of banking sector in Tanzania. Published Master's dissertation, Mzumbe University.

McWilliams, A. and Siegel, D. (2001). Corporate social responsibility: a theory of the firm perspective. *Academy of Management Journal, 26(1)*: 117-127

Neuman, W. L (2006) *Social research methods: Qualitative and quantitative approaches. (6th ed)*. USA. Pearson international Edition

Ngowi, P. (2015, April). Corporate Social Responsibility as a Tool for Community Socio-Economic Development through Banking Sector in Tanzania. *International Journal of Management, Vol. 4 (2)*

McGuire, J. B., Sundgren, A., and Schneeweis, T (1988). Corporate social responsibility and firm financial performance. *The Academy of management Journal, 31(4)*

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

O'Donovan, G., (2002). Environmental disclosures in the annual report: Extending the applicability and predictive power of legitimacy theory. *Accounting, Auditing and Accountability Journal*, 15(3), 344-371.

Ofori, D. F., Nyuur, R.B., and Darko, M.D (2014) Corporate social responsibility and financial performance: Fact or fiction? A look at Ghanaian banks. *Acta Commercii, 14(1)*

Omrani A. (2015). Theoretical perspectives on corporate social responsibility disclosure: a critical review. *International Journal of Accounting and Financial Reporting, Vol. 5*, No. 2 pp. 43-44

Orlitzky, M. (2007). *Corporate Social Performance and Financial Performance:* A Research Synthesis. The Oxford Handbook of Corporate Social Responsibility. New York: Oxford.

Orlitzky, M., Schmidt, F.L., and Rynes, S.L. (2003). Corporate Social Financial

Performance: a meta- analysis. *Organization Studies, Vol. 24*, No. 3, pp. 403-441

Paulina, H. (2013). Corporate social responsibility and firm's performance. Published master dissertation, Mzumbe University.

Piprek, G. (2007). Linking with saving and credits cooperative (SACCoS) to expand financial Access in rural areas. A case study of CRDB Bank in Tanzania

Porter, M. E and Kramer M. R. (2006). Strategy and Society: The link between Competitive advantage and Corporate Social Responsibility, *Harvard Business Review, December*, pp. 78-92

P. Kotler and N. Lee (2005). Corporate social responsibility: doing the most good for your company and your cause. Hoboken: John Wiley

Pride, W. and O.C. Ferrell (1997), Marketing, Boston, MA: Houghton Mifflin company.

Renneboog, L., J.T Horst and C. Zhang. (2008). Socially responsible investments: institutional aspects, performance and investor behaviour. *Journal of Banking and Finance 32(9)*, 1723-1742

Ruf, B.M., Muralidhar, K., Brown, Robert M.J, Jay J. and Paul, K.(2001). An empirical investigation of the relationship between change in corporate social performance and financial performance: a stakeholder theory perspective. *Journal of Business Ethics, Vol. 32 No. 2*, pp. 143-156.

Russo, M. V., and Fouts, P. A. (1997). A resource-based perspective on corporate Environmental performance and profitability. *The Academy of Management Journal*, *40*(3), 534-559.

Saunders, M., Lewis, P and Thornhill. A (2003). *Research methods for business student*. 3rd Edition. New York: Prentice hall

Scott, R.W (2014). Institutional investors, research and development policy and firm stock liquidity. *International journal of economics and finance*, 6 (10) 26

Sharma, P. (2011) Country of origin effects in developed and emerging markets:

exploring the contrasting roles of materialism and value consciousness. *Journal of international business studies Vol* 42(2)

Sternberg, E. (1997). The defects of stakeholder theory. *Corporate governance, Vol. 5 No. 1*, pp. 3-10

Ucbasaran, D., Westhead, P., and Wright, M. (2008), "Opportunity identification and pursuit: Does an entrepreneur's human capital matter?" *Small Business Economics*, 30 153- 173

Usman, S.S. (2013). *Corporate social responsibility on Amul* (Working Paper). Mumbai: Vidya Vikas Universal College

Van Marrewijk, (2003). Concepts and definitions of CSR and corporate sustainability: between agency and communion. *Journal of Business Ethics, Vol. 44, issue 2*, pp. 95 – 105

Vogel, D, (2005). The market for virtue: *The Potential and limits of corporate social responsibility*. Washington, D.C. Bookings Institution Press.

Wan, W. S., Almsafir, M. K and Al-Smadi, A.W (2014). Does corporate social responsibility leads to improve in firm financial performance? *International journal of economics and finance*, 6(3), 126-138

Warmbrod, J. Robert (1965). The Sampling Problem in Research Design. *Agriculture Education Magazine*. pp 106-107, 114-115.

Wood, D. J. (1991). Corporate social performance revisited. *Academy of Management Review, Vol. 16 No. 4,* pp. 691 - 718

Wright, P and Ferris, S.P. (1997) Agency conflict and corporate strategy: The effect of divestment on corporate value. *Strategic management journal* 18 (1) pp 77-83

Yamane, Taro. (1973). *Statistics: an introductory analysis*. New York: Harper & Row.

APPENDICES

Appendix 1: Questionnaire for employees of CRDB Bank only

Dear respondent,

The following is a questionnaire with a topic entitled: The benefits of corporate social responsibility on firm performance: A case of CRDB Bank. This questionnaire is being done in partial fulfillment of the requirements for the award of Master's Degree in Business Administration (MBA –Corporate Management) at Mzumbe University.

All data collected will be treated as confidential for academic purposes only. *Rest assured of your identity's confidentiality*.

Your kind cooperation is essential for my successful completion of this research project

---

Topic: ***The benefits of corporate social responsibility on firm performance: A case of CRDB Bank***

1.0 **General information**

1.1 Name (optional) ___________________Sex__________________Age______________

1.2 Level of education attained (Tick only one answer)

a) Primary education ( )

b) Secondary education ( )

c) College level ( )

d) University level ( )

1.3 Working experience (Tick only one answer)

a) 6 months – 1 year ( )

b) 1 year – 3 years ( )

c) 3 years – 5 years ( )

d) 5 years – 6 years ( )

2.0 What do you understand about corporate social responsibility?

Please indicate your agreement or disagreement regarding the CSR; 1) SA= Strongly agree 2) A= Agree 3) U= Uncertain 4) D= Disagree 5) Strongly disagree

Corporate social responsibility	**Choice**				
	Strongly agree	**agree**	**Uncertain**	**disagree**	**Strongly disagree**
Is a company strategy for profit maximisation of shareholders					
Is a voluntary contribution toward a better society only					

3.0 What are the factors influenced the establishment of corporate social responsibility program?

i)………………………………………………ii)……………………………………….

iii)………………………………………………iv)……………………………………..

4.0 Please mention the main three sectors that CRDB Bank CSR program target?

i)………………………………………………ii)………………………………………

……………………………………………..iii)………………………………………

5.0 What are the corporate social responsibility initiatives practiced by the CRDB bank?

i)…………………………………………………ii)……………………………………

…………………………………………………iii)……………………………………

…………………………………………………..iv)……………………………………

6.0 Does corporate social responsibility pays the bank?

Corporate social responsibility	**Choice**				
	Strongly agree	Agree	Uncertain	Disagree	Strongly disagree
Corporate social responsibility pays the bank					

7.1 What are the Benefits of CSR that received by the bank?

Please indicate your agreement or disagreement regarding the benefits that CRDB receive from CSR investment 1) SA=Strongly agree 2) A= Agree 3)U= Uncertain 4)D=Disagree 5) SD= Strongly disagree

Benefits of CSR	**Choice**				
	Strongly agree	**Agree**	**Uncertain**	**Disagree**	**Strongly disagree**
Improves organisation image and identity					
Stakeholders retention					
Enhances good public relation					
Brand recognition and reputation					
Enhances customer trust and loyalty					
New market opportunities					
Improves investors trust					
Enhances employees morale					
Increases competitive advantage					

7.2 Please mention other benefits that CRDB bank receives from CSR investment?

i)………………………………………....ii)……………………………………………

iii)……………………………………………iv)…………………………………………….

8. What are the major constraints facing CRDB Bank CSR program in achieving the goals?

i)…………………………………………………………ii)………………………………

………………………………………………………….iii)………………………………

………………………………………………………….iv)……………………………….

THANK YOU

Appendix II: Interview guide questions

1. What do you understand about corporate social responsibility?

2. What are the factors influenced the establishment of CSR program

3 What are the main sectors that CRDB bank CSR program target?

4. What are the CSR actions or initiatives practiced by the CRDB Bank?

5. How CSR program pays your bank?

6. What are the main benefits that a bank receives from CSR initiatives?

7. What are the main constraints facing CRDB bank CSR program in achieving the goals?

THANK YOU