

ANGLIA RUSKIN UNIVERSITY

FACULTY OF LORD ASHCROFT
INTERNATIONAL BUSINESS SCHOOL
(LAIBS)

MULTINATIONAL AND LOCAL COMPANIES'
CORPORATE SOCIAL RESPONSIBILITY
PRACTICES IN A DEVELOPING COUNTRY:
MULTI-STAKEHOLDERS PERSPECTIVES IN
TANZANIA

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A Thesis in partial fulfilment of the requirements of
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ANGLIA RUSKIN UNIVERSITY

ABSTRACT

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DOCTOR OF PHILOSOPHY

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Abstract

The purpose of this study was to investigate Multinational Enterprises (MNEs) and local companies' involvement in Corporate Social Responsibility (CSR) practices in Tanzania. Companies continue to cause social and environmental dangers in their operations, which has disappointed many stakeholders. While this happens, there are scant studies addressing how companies participate in CSR to reduce some of the dangers they cause during their operations. The neo-institutional theory was used to address what, how and why companies elect to participate in CSR and focus on the practices, perceptions, motivations, and the role of institutions in promoting CSR in Tanzania.

The study used a multiple case study methodology rooted in the interpretive paradigm to understand the subjective contributions from corporate managers, government and its agencies, NGOs and community members. To realize this, semi-structured interviews, focus group discussions were adopted to seek verbal explanations from participants' experiences while documentary review explored how the government has documented the CSR.

Companies practice CSR on different levels, but the programs directed to health, education, water service, empowerment and environmental concerns with long lasting effect are regarded as the most important by stakeholders. Through CSR; companies minimise risks, become good citizens, and improve their brands and corporate images. Companies are motivated to practice CSR due to top management and employee support and coercive, mimetic and normative isomorphism. The coercion comes from parent companies, local and international organizations, government agencies, NGOs and community members. Mimetic isomorphism is caused by invitation of general public, government officers and media during handover of CSR donations to attract attention of peer companies to emulate the same. The normative isomorphism is caused by international and local institutions, Equator Principles and ISO standards. The institutional roles are exercised by the government, agencies, NGOs and community members through incentives, awareness and directives during registration and interactions with communities.

Overall, the thesis provides five main contributions: the knowledge of CSR practices in Tanzania is realized, it complements the sparse prior CSR literature, implication of the theory and methodological and stakeholder framework contributions. Finally, the study concludes and provides implication to inform policy and practice for the betterment of CSR.

Key words:

CSR, MNEs, Practices, Perception, Motivations, Roles

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List of Abbreviations and Acronyms

AGM	Annual General Meeting
AMREF	African Medical Research Foundation
APHFTA	Association of Private Health Facilities in Tanzania
ARU	Anglia Ruskin University
BC	Before Christ
BOT	Bank of Tanzania
CBO	Community based organization
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
CSRE	Corporate Social Responsibility and Empowerment
DC	District Commissioner
DED	District Executive Director
DfID	Department for International Development
DRC	Democratic Republic of Congo
DSE	Dar es Salaam Stock Exchange Market
DSM	Dar es Salaam
EC	European Commission
EIA	Environmental Impact Assessment
EMO	Environmental Management Officer
etc.	et cetera (Latin: And so forth, and the rest, and so on)
ETI	Extractive Industries Transparency Initiatives
EU	European Union
FDI	Foreign Direct Investments
FGD	Focus Group Discussions
FREP	Faculty Research Ethics Panel
GDP	Gross Domestic Product
GRI	Global Reporting Initiatives

GTZ	German Technical Cooperation Agency
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immuno-Deficiency Syndrome
i.e.	Id Est (Latin): That is, implies that
IFC	International Finance Corporation
IFTA	International Fair trade associations
ILO	International Labour Organization
IMF	International Monetary Fund
ISO	International Organization for Standardization
Km	Kilometre
MD	Managing Director
MDAs	Mining Development Agreements
MEM	Ministry of Energy and Minerals
MNC	Multinational Corporations
MNEs	Multinational Enterprises
MNH	Muhimbili National Hospital
MPs	Members of Parliament
NEMC	National Environmental Management Council
NGOs	Non-Governmental Organizations
NSSF	National Social Security Fund
OSHA	Occupational Safety and Health Authority
PET	Political Economy Theory
PhD	Philosophiae Doctor (Doctor of Philosophy)
PPPs	Public and Private Partnerships
SACCOS	Savings and Community Cooperative Services
SMEs	Small and Medium Enterprises
SSIs	Semi-Structured Interviews
TAYOA	Tanzania Youth Alliance
TBS	Tanzania Bureau of Standards
TEA	Tanzania Education Authority

TFDA	Tanzania Food and Drugs Authority
TIC	Tanzania Investment Centre
TPDC	Tanzania Petroleum Development Corporation
TPSF	Tanzania Private Sector Foundation
TV	Television
TZS	Tanzanian Shillings
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Programme
UNGC	United Nations Global Compact
URT	United Republic of Tanzania
US	United States
US\$	United States Dollar
USA	United States of America
USAid	United States Agency for International Development
USD	United States Dollars
VEO	Village Executive Officer
WB	World Bank
WBCSD	World Business Council for Sustainable Development
WBI	World Bank Institute
WC	Ward Councillor
WEO	Ward Executive Officer

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CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Corporate Social Responsibility (CSR) has recently been a buzzword in business, politics, academia, non-governmental organizations (NGOs) and other stakeholders (Frynas, 2009; Hawkins, 2006; Kathryn et al., 2013). CSR is “the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve quality of life, in ways that are both good for business and good for development” (The World Bank (WB), 2003:1). It is an undertaking by companies and wealthy individuals that aim to improve the well-being of stakeholders, and not just pay attention to making profits only (Fredrick, 2006; Lee, 2008). The CSR programmes are conducted in both advanced and developing economies, although the need is particularly linked to the latter due to lack of essential facilities their governments could offer. The objective of companies’ CSR programmes is to contribute to community members, government and other stakeholders in various forms, such as philanthropy, legal, economic, environmental and ethical domains (Carroll, 1991). In practice, CSR has differed according to place and time (Waddock, 2008; Hoskins, 2012). Most of the business and individual practices that are ethical, and consider caring about other stakeholders, started in America and Western Europe (Reich, 1998). Other places on the globe, including Africa, Asia, South America and Eastern Europe had some form of CSR, although it is of recent, as a result of the advent of multinational corporations that are owned by anonymous shareholders, that their involvement in it has started to be documented (Calderon, 2011; Crane et al., 2014).

Developing countries such as Tanzania has, among others, been compelled to attract Multinational Enterprises (MNEs) and make the best policies for improved investment facilities and activities (Blomström and Kokko, 1998). The government of Tanzania has put in place the ideal, supportive investment climate, such as attractive investment concessions, fiscal regime, tax incentives and guarantees to motivate companies through Tanzania

Investment centre (TIC) (TIC, 2014). This is done with the objective to improve the socioeconomic condition of the country. Thus, “the country creates a strong infrastructure for all investment while providing the strong growth and security needed to prosper” (TIC, 2015: 12). Along with attracting the MNE investors, the government of Tanzania also encourages the local companies to participate in the economic development for the wider benefits of communities. Local companies are also provided with a better environmental platform for their business operations. Some of the initiatives undertaken by the government of Tanzania to enable better business environments include power supply and infrastructure (ICT, registration, railway and roads, ports and inland dry port improvements) (TIC, 2014). Other steps concern open registration systems and an avenue for inclusiveness in economic sectors, such as oil and gas, mining, banking, manufacturing, and so forth, on both medium and small scales (TIC, 2015).

The presence of MNEs and local counterparts accelerates the need for companies’ participation in CSR activities. While they contribute to CSR, MNEs improve the production in countries that have comparative advantages of natural resources to uplift the economic status (Makki and Somwaru, 2004; Borensztein et al., 1998). The CSR contributions are a critical issue in developing countries due to the fact that many stakeholders, including the governments, NGOs and community groups regard companies as partners in meeting development challenges (Blowfield and Frynas, 2005). The reliance on the government as sole providers of public goods and societal needs is no longer feasible due to the growing population and social needs that surpass the government budgets in most developing countries (Jamali and Mirshak, 2007). Donors or debts from international financial institutions do not cater for the needs of developing hence, other forms of assistances such as CSR are also worthwhile. For instance, CSR is relevant to developing countries as it addresses pertinent issues, such as fighting against Human Immunodeficiency Virus/Acquired Immuno-Deficiency Syndrome (HIV/AIDS), poverty reduction, and building human resource capabilities (Blowfield and Frynas, 2005). According to the United Nations Development Programme (UNDP), as a developing country, Tanzania faces acute shortages of good education, health, clean water, infrastructure, and standard of living, while its large populations still live under less than US\$ 1.25 a day (UNDP, 2010).

Thus, this study investigates the MNEs and local companies' involvement in CSR practices in Tanzania. It looks at how four main players (companies, government and its agencies, NGOs and community) interact with, and participate in CSR. There is a need to determine how these players influence one another in the making of CSR and how companies become an alternative to relieving the communities in developing countries. The companies (MNEs and local ones) are always in contact with the institutional mechanisms of the government and agencies, NGOs, and the surrounding communities. CSR is founded on the ground that sees the businesses and companies' active partners in using scarce and unreliable resources in a sustainable manner (Lawrence and Weber, 2011). The CSR programs focus on the interrelationships between companies and stakeholders, how companies are impacted by the institutional mechanisms to ensure no harmful effects occur, and how they become responsible for the repercussions arising from their operations (Blowfield and Frynas, 2005). This study is done in Tanzania in order to determine what, how and why companies voluntarily contribute to communities through social, economic, legal, philanthropic, volunteerism and environmental protection (Cannon, 1994; Asbury and Ball, 2016). It is a response to the multi-stakeholders and international calls for the profit, planet and people in their daily activities through CSR (Blowfield and Murray, 2011; Aras and Crowther, 2012).

The rest of this chapter follows a specific structure. The next section describes the statement of the problem of this study, and section 1.3 explains the motivation behind this study. Section 1.4 addresses the research aim, objectives and research questions, and section 1.5 details the research scope and methodology. The significance of this thesis is highlighted in section 1.6, and section 1.7 outlines the organization of the rest of the thesis. Finally, section 1.8 provides a summary of the chapter.

1.2 Statement of the Problem

Despite the fact that MNEs and local counterparts are essential for the well-being and growth of the Tanzanian economy, these companies cause and continue to pose social, environmental, labour rights abuse and other negative impacts (Jenkins, 2005). The companies' operations threaten the well-being of the population, especially those community members residing within the proximity of companies' areas of operations (Jose and Lee,

2007). Due to their large size, presence and operation in many jurisdictions, MNEs have hugely impacted upon the social and environmental challenges among others in the countries they operate (Jose and Lee, 2007). To reduce some of these challenges, companies are required to participate in CSR. While they strive for better financial and economic performance, companies are required to consider raising living standards, being less wasteful and reducing pollution, saving lives, and creating jobs in the surrounding communities (Blowfield and Murray, 2011; McGuire, 1963). Companies are also required to carry out their operations in an ethical manner and contribute to societies affected in one way or another due to their operations in various forms of CSR (Carroll, 1999; Blowfield and Murray, 2011; Collins, 2012). Moreover, the reason why such practices are caused by the motivation and institutional frameworks of government and its agencies, NGOs and beneficiary groups remain a phenomenon to be investigated. This is what the current study wishes to accomplish.

The empirical literature regarding CSR practices in developing countries, and particularly in Tanzania, is rather deficient. One of the major reasons why this is the case is because CSR is still a current issue in most developing countries, and thus very little study on this matter has been convened. Many of the CSR studies have amassed in the developed economies of Western Europe, North America, Australia and Japan (Rahaman et al., 2004; Hanifa and Cooke, 2005; Raman, 2006; Amalados and Manohar, 2013). In addition, Prieto-Carron et al. (2006:977) states that, ‘‘so far, the debate has been dominated by the northern perspectives of America and European multinational companies, NGOs, governments, trade unions and academics. We believe the debate should be globalized by incorporating southern perspectives—that is—perspectives that reflect experience on the ground in developing countries—and that is CSR initiatives are to be legitimate, their content and implementation should be adapted to the particular country or region in which they are taking place’’. However, the rise of interest in studies directed to social and environmental concerns and CSR has started to take place. High interest in CSR studies has been shown in other developing countries of Latin America (Beckman et al., 2009), Asia (see, for example, Khan et al., 2009; Arevalo and Aravind, 2011; Nam, 2011; Shaukki, 2011; Eljido-Ten, 2011; Mahmood and Humphrey, 2013; Wang and Juslin, 2013; Momin and Parker, 2013) and

Africa (see, for example, Kehbila et al., 2009; Mahadeo et al., 2011; Maria and Devuyst, 2011; Katamba et al., 2012; Okoye, 2012).

Many of these studies in developing countries have concentrated mostly on the CSR disclosures or reporting of listed companies (Hannifa and Cooke, 2005; de Villiers and van Staden, 2006; Abeysekera, 2008; Chung and Parker, 2010; Coetzee and van Staden, 2011; Elijido-Ten, 2011; Beddewela and Herzig, 2013). Yet, few studies have examined perceptions of business students and stakeholders of the mining companies (see Bagire et al., 2011; Lauwo and Otusanya, 2014). Other studies have examined the motivation of companies for CSR (Kehbila et al., 2009; Momin and Parker, 2013). Other studies conducted across developing countries' contexts have studied on the role of government on CSR (Achda, 2006).

Based on both empirical and theoretical literature review searches, Tanzania is one of the under-researched country in terms of topics covering various aspects of CSR. There is a need, therefore, to undertake a comprehensive study that focuses on MNEs and the local counterparts to examine their participation in CSR practices in Tanzania. This study is one of the attempts to fill the current gap in knowledge on studies in CSR practices taking place in African countries in general (Dzansi and Marius, 2009), and Tanzania in particular. The context of Tanzania experiences dearth of research, especially those that directed to the stakeholders of companies, government, NGOs and communities. Furthermore, the few studies that have emerged (see, for example, Egels, 2005; Emel et al., 2012; Lauwo and Otusanya, 2014) are not adequate enough to cover the wider economic arena. These studies regarding companies' involvement in CSR have majored in local communities and human rights and community activities disclosures on one mining company only (Newenham-Kahindi, 2011; Emel et al., 2012; Lauwo and Otusanya, 2014). Another study by Masoud et al., (2007) focused on the managers' perceptions of CSR in the public and privatised corporations in Tanzania. Thus, a need arose for a study that examines other variables, such as the CSR practices, the perceptions of community members, motivations, and influences in the context where such studies are still lacking.

The study used various participants from corporations, government and its agencies, NGOs, and community (beneficiary) members to explore information about the companies' participation in CSR. The government and its agencies were used as research participants to enable an understanding of the processes in which companies are involved through CSR in endorsing, mandating, and partnering relationships (Bichta, 2003; Steurer, 2010). Moreover, this study addressed various participants from different economic sectors to determine CSR across organizations with a broader perspective than it would have been on a single sector basis. These attributes and the engagement of different constituents undoubtedly give credibility to the study as it brings rich and robust findings.

Additionally, the presence of economic growth accelerated by the MNEs and the local counterparts is worth studying to find out the extent to which they attempt to take active roles as socially responsible corporations. The MNEs are particularly interested in investing in developing countries in search of legitimacy and economic gains from the untapped resources (Egels, 2005). The Tanzanian market is booming with various resources potential to provide for the socioeconomic progress, poverty reduction and employment creation for her people (Kaiza, 2010). The MNEs and local counterparts being studied can bring an insight into which their realignment in the foreign country with different legal, cultural and economic setting of parent companies can be understood. Also, the realisation of the knowledge of how the MNEs engage with local communities through various mechanisms such as CSR is of great interest in this study.

1.3 Motivation of the Study

According to Pole and Lampard (2002:5), there are many reasons for embarking on a piece of research, including “whom the research is for, who is paying for it and what use it will be put”. Essentially, the study is oriented towards the need of what use it is going to have in the academic and practical contributions. The motives for this study are the need of CSR, the importance of MNEs and local counterparts, and the tensions between investors, NGOs, communities and government.

1.3.1 The Need of CSR

As discussed above, and elaborated further in Chapter 2, companies, individuals, NGOs, government and organizations, such as the United Nations (UN), World Bank (WB), and International Labour Organizations (ILO), immensely subscribe to CSR. In 2003, the World Bank Institute (WBI) held a conference to discuss CSR issues, and participants from around the world shared experiences and ideas to promote CSR activities in the developing world (Petkoski and Twose, 2003). Also, the United Nations Global Compact (UNGC) provides guiding procedures for businesses on human rights, environment, anti-corruption and labour standards (Collins, 2012). Furthermore, the World Business Council for Sustainable Development (WBCSD), which also organizes multi-businesses worldwide, advocates for CSR (Crane et al., 2014). Similarly, the twelve major banks of the world, including Barclays, Citigroup, Standard Chartered, Royal Bank of Scotland, JPMorgan Chase, Mizuho and Credit Suisse, have adopted International Finance Corporation (IFC) standards called Equator Principles to ensure the companies they provide capital to participate in the CSR (Equator Principles, 2006).

Governments and NGOs have also commented on the role of CSR in the socioeconomic development process. In the United Kingdom (UK), for example, the government appointed a minister responsible for CSR to ensure companies take an active role in CSR locally and internationally (Crane et al., 2014). Communities and governments in developing countries have started to realize the need of CSR for the well-being of the poor and growing populations (Hilson, 2012). The calls from the diverse stakeholders, including NGOs, international financial institutions, governments, individuals and other stakeholders, require joint efforts towards accomplishing the objective of companies to gain profit, but make safe a planet through environmental protection and the well-being of the people (Petkoski and Twose, 2003; Hawkins, 2006). Thus, it is inevitable to reach out this call, companies have to particularly engage in CSR. Through CSR, MNEs and local companies in oil and gas, mining, manufacturing, telecommunication, banking and financial institutions, and services sector industries in developing countries such as Tanzania are important for sustainable growth (Slack, 2012; Hilson, 2012). Arguably, when an MNE or a local company participates in CSR, it is obviously providing relief to the government's huge burdens to

meet the social economic demands of its population. No matter how big or small the companies' contributions to the communities are, they are worth a lot as many of these contributions are channelled into important sectors.

1.3.2 The Need of MNEs and Local Counterparts

Tanzania's huge economic resources in minerals, uranium, oil and gas, and others are still under-explored and represent a frontier market (Moss, 2013). As a result, MNE investors are attracted to invest in such sectors and others for increased multiplier effect. Factors behind the attractiveness to invest in Tanzania include transparency initiatives in the extractive sectors, by following the Extractive Industries Transparency Initiatives (ETI), political stability, policy and legislation, and safe borders with neighbour countries (TIC, 2015).

The nature of Tanzania's economy is primarily driven by the private sector in which MNEs and local companies are located and play a big role in development. The private sector led growth restores the market forces and less government intervention in commercial activities (TIC, 2015; Bekefi, 2006). Thus, Tanzania is one of the rapidly growing emerging markets, ranking among the 20 fastest growing economies in the world (TIC, 2015). The country has exhibited a Gross Domestic Product (GDP) growth rate of around 7% for the past 5 years, and it is predicted by the IMF and WB to continue growing for the next decade (WB, 2013; IC, 2015). This growth is triggered by the economic transformation of the past two decades, from a centrally planned economy to the free market-oriented reforms (Nord et al., 2009; TIC, 2015). With such characteristics, and the importance of private sectors to the economy, it is inevitable that MNEs and local companies are given good environments to boost the economy. While the companies are encouraged to invest, expectation for more participation of companies in CSR programmes to reach out to many beneficiaries increases. Regardless of the benefits accrued from CSR, MNEs and local companies' operations provide more benefits, such as employment creation, tax revenues, increase health competition for more efficiency, induce one another for the technological change and service and product developments (Blomström and Kokko, 1998; Marin and Bell, 2006). According to Blomström and Kokko (1998), the presence of MNEs in foreign countries accelerates the adoption of advanced technology and production mechanisms to other MNEs and local

companies. Tanzania, in attracting MNEs to invest in her economy, is meant to reap other benefits, such as capital formation, improved exports, and the marketing and management expertise across economic sectors.

Thus, the presence of MNEs in Tanzania act as a catalyst for local companies to be more effective and efficient which imply that productivity and technical spill-over are enhanced (Marin and Bell, 2006) increases along with other associated benefits that were not available before the investment for the companies, government and communities.

1.3.3 The Tensions between Investors, Communities, Government and NGOs

Most of the developing countries that are rich in resources, such as minerals, oil and gas, are characterised by conflicts between government, MNEs and communities over dissatisfaction on how the resources are being used (Hilson, 2012). The misunderstandings have always ended up in chaos, leading to loss of lives of demonstrators, looting of the investors' property, and mass demonstrations against companies or the government's decisions. For example, in Nigeria, multinational corporations (MNCs) in the Niger Delta have ventured into CSR after experiencing frequent hostage takings and violent conflict with the surrounding communities (Idemudia and Ite, 2006). Such protests have also occurred in Peru, Indonesia and Guatemala (Bebbington and Bury, 2009; Welker, 2009; Yagenova et al., 2009). In Tanzania, many forms of violence, such as physical, non-physical and temporal, have occurred in the gold mining and oil and gas rich resource regions (Holterman, 2014). In North Mara Gold Mine, the conflict between the mine and surrounding communities, who were labelled as invaders when they went looking for the gold traces, left four community members shot to death by police forces on 16 May 2011 (Holterman, 2014; Poncian and Kigodi, 2015). Also, in Bulyanhulu and Geita, the mines fired 1,500 workers and suspended their leaders for three months following organizing a demonstration (Holterman, 2014). Likewise, citizens in the Mtwara Region protested against the government's decision to build a gas pipeline from Mtwara to Dar es Salaam, arguing that they will not benefit from the development and employment created (Moss, 2013). According to Moss (2013), this protest left four people killed and others injured while property valued \$929,000 was lost. Despite the case examples of the two sectors of mining

and oil and gas, other sectors are equally important, although there are no notable events that have happened between companies and communities. However, it is not the objective of this thesis to indulge in finding any sort of conflicts; instead, it intends to examine how CSR is practised and to be used as a platform to bring the actors into consensus.

Although the conflicts in Tanzania cannot be compared to those in Chad, the Democratic Republic of Congo (DRC), Angola and Sudan, where civil wars have occurred (Poncian and Kigodi, 2015), it is worth knowing how companies minimize them using CSR. To avoid such conflicts, Newenham-Kahindi (2011) argues that MNEs in mining and other sectors should get involved in CSR and become inclusive of the local community needs, NGOs, and the government. The local communities where investments are made become a playground for MNE activities in which conflicts arise, causing huge financial and reputation challenges that lead to losses of property and life (Calvano, 2008). Similarly, Dobers and Halme (2009:242) states that, “CSR is located in a wider system of responsibility in which business, governmental, legal and social actors operate according to some measure of mutual responsiveness”. Therefore, CSR is one of the strategies employed by MNEs to become good citizens and legitimate in the eyes of the surrounding communities, government and NGOs. CSR needs to be comprehended by adopting the “pragmatic approach which takes into account the pros and cons of voluntary and regulatory approaches and find ways to extend the agenda to all enterprises, whether large, small, based in the North or South, and serving international or domestic markets” (Fox, 2004:30). Therefore, interactions between local communities, MNE investors, NGOs and government are crucial in bringing an end to the tensions between the actors.

1.4 Research Aim, Objectives and Questions

As detailed above, the study is undertaken in a context of Tanzania where there is no prior studies addressing the same. This is one of the first comprehensive studies on CSR to be undertaken in the context of Tanzania. It is intended to bring an understanding of the CSR practices (and/or non-practises) by explaining the motives and influences behind MNEs and local companies’ participation in contributing to communities. This will be attempted by seeking the perceptions and experiences of stakeholders (corporate managers, government

officers, agencies, NGOs and communities) and determining how they are involved in the awareness and promotion of CSR. Thus, the main aim leads to the realization of the objectives and increased knowledge on the following:

- (a) Provision of an understanding from the different perspectives the CSR practices, motivations and influences of the sampled companies, government and agency offices, NGOs and beneficiary communities in Tanzania
- (b) Development of a framework as a reference point for stakeholders shared resolutions and determine how it can be helpful in curbing the misunderstanding and tensions by integrating their shared views and opinions
- (c) Drawing of the conclusion, implications and thereafter recommending for future research areas, inform public policy and corporate bodies

Overall, the question of the thesis is, what, how and why are the MNEs and local counterparts involved in CSR practices in Tanzania? This broad question is set to explore what companies actually do, the motivations and the influencing factors behind taking part in CSR (elaborated in section 1.5 below). To address this main question, the following research questions (RQ) and sub-questions are raised as follows:

RQ 1 What are the CSR practices of companies operating in Tanzania? How do beneficiary communities perceive CSR activities?

- (i) What are the CSR practices of companies operating in Tanzania?
 - What is the most important activity preferred by companies?
 - What are the forms of CSR practices of companies?
 - What are the benefits and/or disadvantages realized by practicing CSR?
- (ii) How do beneficiary communities perceive CSR activities?
 - How is CSR perceived through the relationship between communities and companies?

- What are the most important CSR contributions to communities?
- How does community benefit or experience disadvantage from companies' CSR programmes?

RQ 2 Why companies are motivated to practice CSR in Tanzania?

- (i) Why companies are motivated internally to practise CSR?
- (ii) Why companies are motivated by external factors to practise CSR?
- (iii) Why companies are influenced by beneficiary groups to practise CSR?

RQ 3 How institutions and beneficiary groups play roles in promoting CSR practises in Tanzania?

- (i) How government and its agencies play roles in CSR? [Incentives, awareness, directives, and actions and their consequences]
- (ii) How NGOs play roles in CSR? [Incentives, directives, dialogues, actions and their consequences]
- (iii) How beneficiary groups [community members] play roles in CSR? [Meetings, written messages and other means of communication]

1.5 Research Scope and Methodology

The scope of the study is the Tanzania MNEs and local companies, the government involvement in CSR, agencies, NGOs and the beneficiary communities. This study adopts an interpretive philosophy design using a multiple case study methodology, with the objective to interact with different constituents to obtain subjective views in regard to their understanding of and experience in CSR. The interpretive paradigm “seeks to understand people’s experiences from the perspective of the people themselves within the context in which they live” (Hennink et al., 2011:14). As an explorative study, the study delved into huge data obtained from participants to understand the nature of CSR practises, motives and institutional roles leading to companies to become more willing to contribute to the community. Qualitative studies are undertaken in the field, by interacting with participants and compose the meanings, awareness, and perceptions on events and processes to the social world from the places they reside or place of work (Rossman and Rallis, 2003). In essence,

qualitative study is relevant to this study and addresses the question. As pointed out by Miles and Huberman (1994:10), qualitative study provides the “how and why things happen as they do in a particular setting”. The how and why things occur was then undertaken by using participants (company managers, government and agency officers, NGOs and community members) to disclose the actual and current practices of CSR in Tanzania. The interaction with these participants evolved through providing subjective meaning and perception they have towards adopting and practising CSR.

Prior studies in developing countries and Tanzania in particular have tended to be on survey (see de Villiers and van Staden, 2006; Sobhani et al., 2009; Kehbila et al., 2009; Arevalo and Aravind, 2011; Bagire et al., 2011; Blagov and Petro-Savchenko, 2012; Nyahunzvi, 2013) and case study (see Belal, 2000; Koku and Gustaffson, 2003; Rahaman et al., 2004; Kusku, 2007; Ararat, 2008; Yang and Rivers, 2009; Lu and Catska, 2009; Belal and Cooper, 2011; Momin and Parker, 2013; Sooborayon and Ntim, 2013) and field study (Idemudia and Ite, 2006; Mahadeo et al., 2011) has also been used. The multiple case methodology used in the current study complements the prior methodological gap.

The research methods used are a combination of semi-structured interviews (SSI), focus group discussions (FGD) and documentary review in a triangulated manner (Hesse-Biber and Leavy, 2011). In the words of Rossman and Rallis (2003:9) in qualitative studies, “researchers try to understand people through multiple methods, and then, talk to people; watch and listen as folks go about their everyday tasks; read documents and records”. In addition, this combination is important for this study in a number of ways. First, using this combination method provides robust findings that a mono-method does not provide (Johnson et al., 2007). The combined methods avoid the potential weaknesses inherent in a single method, covers wider context and provides the full meaning of the phenomenon under investigation (Barbour, 2014). The information obtained from managers is in a way being reflected in the FGDs, and thus used to prove or disprove the claims they make about CSR practices. Second, community groups are also used to determine the interactions with other key actors in the CSR agenda in Tanzania. This interaction brings an understanding of how the institutions work is in unison with company managers and communities with a view to make CSR a proper undertaking for the benefit of the wider constituents. Also public

documents, such as those from the government (Rubin, 1983), are used to understand how the CSR is being addressed and documented from the government point of view.

The research methods explained above are depicted in figure 1.1 below. Three questions are addressed by SSIs and FGDs, while two questions use FGDs.

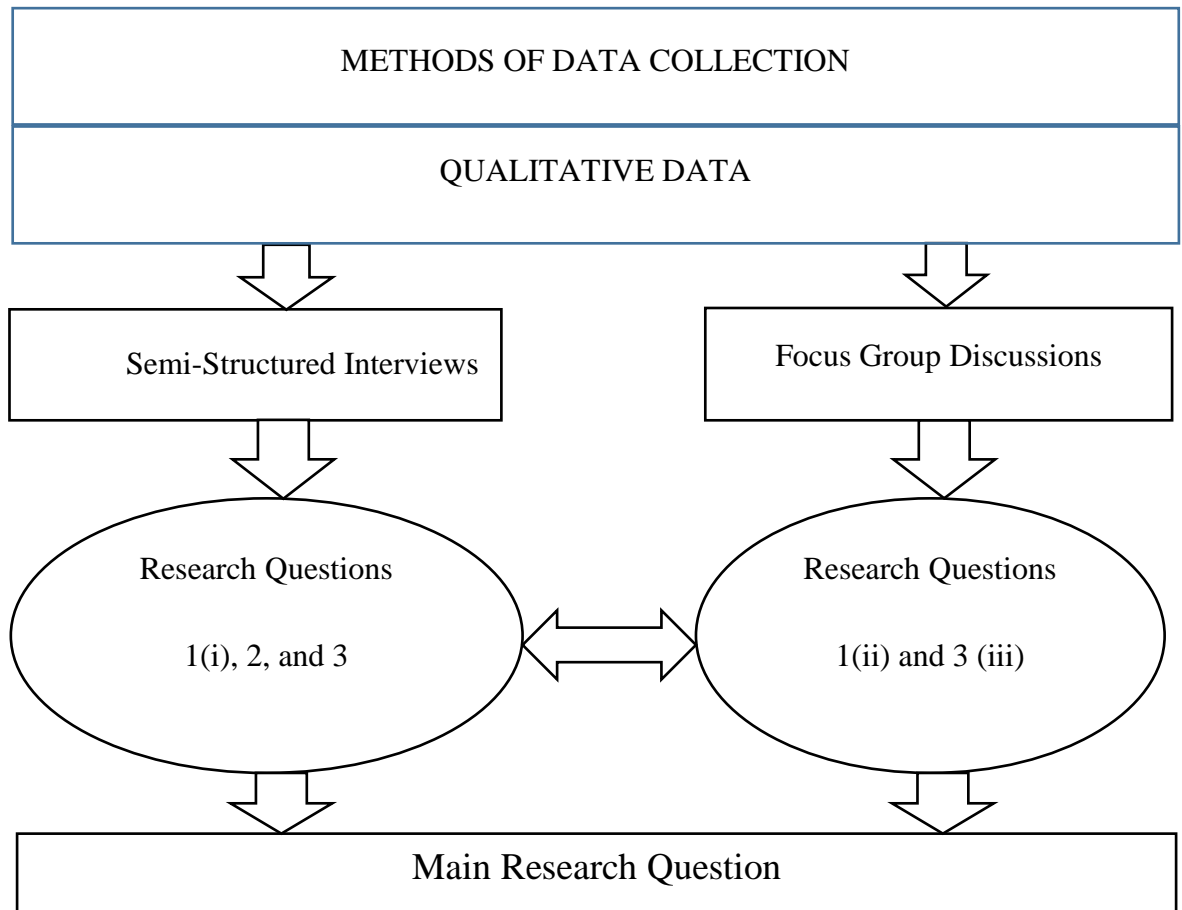


Figure 1.1: Methods and research questions

The CSR practices of companies operating in Tanzania and the perception of the beneficiary community on companies' CSR activities are addressed by using SSIs and FGDs, respectively. The SSI is used to determine the most important activity preferred by companies, the forms of CSR, as well as the benefits or costs realized by company managers from engaging in CSR. The forms of CSR wish to bring an understanding of the nature of contributions, whether or not they are in cash, on emergencies, short-term or long-term oriented. Community groups explain their perception of companies' participation in CSR,

important activities and whether or not companies' participation in CSR is worthwhile for them as beneficiary communities.

The motivating factors of companies' CSR practices in Tanzania are also informed by a series of SSIs with company managers. Essentially, the study wishes to understand why companies are interested in undertaking CSR along with their core business objectives. The motives behind companies' participation in CSR focus on the influence of parent companies, the government of the host country, mimicking one another, following of industry norms, and pressure from NGOs and regulatory bodies.

Finally, the information on the roles of institutions and beneficiary groups in promoting the CSR practices of companies in Tanzania is realized using SSIs and FGDs, respectively. The SSI is addressed to company managers, government and agency officers and NGOs managers to determine how these actors interact to make sure CSR becomes beneficial to all constituents. In connection to this, community members are involved, again, to determine their role towards influencing companies' practise of CSR. Community members are used to determine their direct or indirect involvement in forums with companies' representatives, government and NGOs to discuss on CSR matters for mutually understanding and acceptance. The exhaustion of the three research sub-questions, undoubtedly, provides robust and reliable findings using SSIs and FGDs.

1.6 Significance of the Study

As explained in this introduction, and further in literature review, this study is conducted in response to calls to address CSR relevancy in developing countries (Petkoski and Twose, 2003; Hawkins, 2006; Blowfield and Murray, 2011; Aras and Crowther, 2012; Collins, 2012) in order to contribute to filling the gap in knowledge. CSR as a discipline is new and many studies are yet to be conducted in the developing country contexts regarding its various dimensions. Therefore, embarking on a study in which relatively few studies have been conducted is meant to significantly contribute to the body of theoretical and empirical CSR literature. The study is intended to improve CSR literature by bringing new and rich

understandings from the developing country context to complement those brought to the academic world before.

Likewise, a second significance of this study is the realization of the knowledge of the CSR practices in this context. To undertake this, the thesis benefitted from the use of the methods of data collection of SSIs, FGDs and documentary reviews (Kumar, 2014); on company managers, government and its agency's officers, NGOs and communities around companies' areas of operations. The study is oriented in the qualitative or interpretive paradigm where the use of a combination of methods is a norm (Kumar, 2014). The understanding of CSR practices, motivations and institutional influences have been undertaken using several participants and a multi-method approach to study the CSR in developing countries, and thus significantly contributes to reducing the gap in knowledge. Also, gaining views of the myriad participants accelerated the level of understanding of the phenomenon under investigation. Recruiting the participants and obtaining their arguments in the form of perceptions, interpretations, meaning and understanding (Mason, 2002) smoothened the process to gain knowledge about CSR practices, motivations and institutional roles. The interaction with these participants led to the understanding of how companies and other stakeholders have paved ways to ensure that CSR practices and its various dimensions have become a reality in Tanzania.

Another contribution this thesis brings is the proposed framework to guide the conduct of CSR practices in Tanzania. This framework will be used by key stakeholders (corporations, government-central and local, government agencies, NGOs and communities) to represent the myriad stakeholders in discussions and forums aimed to improve the well-being of communities and reduce the tensions and misunderstandings that have started to rise in Tanzania. The framework will be applied across the range of political, economic, social, legal, environmental and academic spectrum to harness for the stakeholders' dialogues, awareness and innovation of CSR in real life in light of the current state of affairs of all sectors and industries (GIZ, 2013).

Last but not least, the findings and recommendation this thesis provides might lead the decision makers, as well as practitioners, to align with stakeholder demands such as those of

NGOs and community members. The government, NGOs and community members are interested to see that CSR becomes a potential for relieving the societies and helping to curb the challenges facing the country, such as poverty reduction, health services and environmental protection. While this is true, the mechanisms undertaken are not sufficient, given the newness of the concept and practice of CSR. Thus, the recommendations that this thesis provides, in addition to other studies, is significant to helping the government and companies realize the means and ways to tackle the challenges in a better and sustainable way.

1.7 Organization of the Thesis

The rest of this thesis will follow a particular order. Chapter 2 reviews the literature and identifies the existing gap in knowledge, and also addresses respective research questions. The third chapter describes the justification of the use of the theoretical framework using Neo-Institutional Theory preceded by alternative theories of Stakeholder Theory, Legitimacy Theory, Political Economy Theory, Media Agenda Setting Theory, and Institutional Theory. Chapter 4 describes the methodology and methods that were used to collect empirical data. The semi-structured interviews (SSIs), focus group discussions (FGDs) and government documents are discussed. Also, the chapter explains interviews and focus group protocols, the ethics procedures, the reliability and validity approaches, and the challenges encountered in the field during data gathering.

Chapters 5 and 6 provide empirical results on the practices, motivations and institutional roles in CSR. Chapter 7 concerns the interpretation of the findings obtained and presented in Chapter 5 and 6. The subjective meaning contained in interpretive methodology is provided by the researcher with connections to the research objectives and questions. And finally, Chapter 8 concludes and recommends the study in light of the objectives and research question(s) and findings on practices, motivation and institutional roles. In addition, contributions to knowledge and limitations of the study are elucidated.

1.8 Summary of the Chapter

This chapter briefly provided the background information on the study and described the term CSR and the need to undertake CSR studies in Tanzania. The chapter proceeded with elaboration on the statement of the problem and the motivation for the choice of this topic. It also highlighted on the research aim, objectives and research questions raised. Furthermore, the research scope, methodology and methods are briefly discussed. Also, the chapter explained the significance of the study, followed by the organization of the rest of the thesis.

CHAPTER 2

CORPORATE SOCIAL RESPONSIBILITY IN DEVELOPING COUNTRIES: A LITERATURE REVIEW

2.1 Introduction

CSR literature varies in different countries, according to the level of companies' engagement and the respective driving forces adopted. Most literature on CSR are plentiful and available in the developed nations, such as North America, Europe and Australia in comparison to developing countries. Although the concept of CSR is not new, corporations and individuals have only recently realized it as an important practice in today's business life for the society's well-being. Developing countries have also started to acknowledge CSR contributions from MNEs and local companies to strengthen their economies.

This chapter critically reviews the empirical and theoretical literature to provide evidence on what, how and why corporations voluntarily engage in CSR. The evidence will then be used as a basis to explain CSR practices of MNEs and local counterparts in the context of Tanzania, as a developing country. The basis of this review is based on an intensive literature search of 244 articles published from 2000 to 2013 from developing countries of Africa, Asia, and South America. The articles included are based on particular themes, such as sustainability, corporate governance, corporate responsibility, ethics and environment. The literature search enabled developing empirical evidence, theoretical framework, identified research gaps and formulation of research questions and methods of data collection to complement previous studies.

The rest of the chapter is organized in a particular order. Sections 2.2 and 2.3 describe the meaning of CSR and a historical antecedent of CSR, respectively. Thereafter, in section 2.4, CSR practices and community perceptions are discussed. Section 2.5 concerns the motivating factors of CSR, and section 2.6 addresses the institutional roles. Finally, section 2.7 summarises the chapter.

2.2 The Meaning of CSR

CSR is a contested terminology that has been understood differently from both the academic and practical points of view of individuals and institutions (Hawkins, 2006; Frynas, 2009; Visser et al., 2010; Kathryn et al., 2013). CSR has also varied and developed from different time spans and with various dimensions that has tested the applicability of the concept in various industries, economies, societies and cultures. Blowfield and Murray (2011) suggest that there has not been a straightforward response, and the growing interest spurred by different stakeholders has only resulted in bringing more varied definitions. Various institutions, individual professionals, governments and non-governmental organizations (NGOs) have tended to define the term CSR. Although it is beyond the scope of this study to try to give an account for all definitions used by different corporations and individuals, a few of them will be highlighted in the study.

The World Business Council for Sustainable Development (WBCSD) (WBCSD, 2002) views CSR as a commitment of business to contribute to sustainable economic development, working with employees, their families, local communities and society at large to improve their quality of life. The definition emphasizes on the proper use of resources for now and future generations. It also comments on improving the welfare of employees, families and the whole society, as all parties are interrelated and dependent on each other. In 2003, the WB adapted and developed the definition of the WBCSD (WB, 2003).

According to the European Commission (EC) (2006:5), CSR “is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”. The CSR Europe, which comprises large companies across the continent, considers CSR components as workplace (employees), marketplace (customers, suppliers, the environment and community), ethics and human rights (Moir, 2001).

Academics, such as Davis (1973) and Carroll (1979), gave their constructive contributions towards definitions in the early days of CSR history. Davis (1973:312) defines social responsibility as the “firm’s consideration of, and response to, issues beyond the

narrowly economic, technical, and legal requirements of the firm. Davis sees a firm's obligation as being to improve its performance, but also to be cautious not to harm others outside the business. Carroll (1979) defines CSR as a social responsibility of a business, encompassing the economic, legal, ethical, and discretionary expectations that society has of organizations at given point in time. Sacconi (2004:6) defines CSR as "a model of extended corporate governance whereby who runs a firm (entrepreneurs, directors, managers) has responsibilities that ranges from fulfilment of their fiduciary duties towards the owners to fulfilment of analogous fiduciary duties towards all the firm's stakeholders". The author discusses it from a governance point of view, and as such, practising it should be approved from organizational plans like other activities undertaken by the organization.

Aras and Crowther (2012:22) define CSR as "concerning with what is, or should be the relationship between global corporations, government of countries and individual citizens". These authors further describe CSR to have an effect on local communities as the relationship between a corporation and a local society in which it resides and operates. Hawkins (2006:2) states that "we are all part of a community and whilst it easy to accept that drivers in the business world are focused on the impacts of their commercial dealings, it must also be accepted that interaction with the wider social community is part of the trading environment. Communities provide customers and other resources for companies, and this is what companies justify for their voluntary contributions in CSR (Hawkins, 2006).

Since CSR has no single common definition, there has been concerted efforts to classify the definitions in order to establish conformity from different stakeholders. One of the definitions was by Dahlsrud (2008), who made a comprehensive analysis of 37 CSR definitions of studies in 23 years, and concluded two findings. First, the definitions prior to the 2000s had four components: the voluntariness, economic, stakeholder and social aspects. Second, the definitions from 2000 onwards embraced five components, which included the environmental aspect. However, Blowfield and Frynas (2005) suggest that CSR should be seen as an umbrella encompassing a number of dimensions rather than one distinct, defined term. Furthermore, others suggest that there is no exact description of what and how exactly these responsibilities should be adopted (Burchell, 2008). Therefore, CSR should represent an overall concept in which organizations align them along with the society's demands. The

most comprehensive definition of CSR seems to be that of EC (EC, 2006) because it includes the fifth element of the environment. Also, the EC was ranked the most used and recognized definitions of CSR, as it counted 286 out of 1,386 counts, scoring 21%, followed by the WBSCD definition with 180 counts, scoring 13% (Dahlsrud, 2008). Overall, responsibilities are categorized into economic, legal, ethical, philanthropic and environmental concerns (Carroll, 1979, 1991, 1999; EC, 2006; Dahlsrud, 2008).

2.2.1 Economic Responsibility

Carroll (1979, 1999 and 1991) established a model of four components, starting with economic on the base, followed upwards by legal, ethical and philanthropic responsibilities at the top. Carroll (1991) emphasizes that to be economically responsible a company has to ensure that it operates in a manner, leading to improving earnings per share, profits, competition and operating efficiency. According to Carroll (1991), this is the fundamental objective to be achieved, and upon which other responsibilities lay; the business firm must be financially stable to flourish and participate in CSR. However, eminent theorists and business leaders argue against this backdrop, that earning profit for CSR purpose is not proper instead creating jobs, increasing shareholder values and providing goods and services within the legal boundary as the only responsibility of businesses (Friedman, 1970).

2.2.2 Legal Responsibility

Businesses are also expected to carry out their activities within the legal boundaries of governments and other regulatory bodies. The companies must follow the government's laws and agencies' regulations when carrying out their activities (Carroll, 1991). Not following laws and regulations may have serious legal consequences that may affect the scale of business operations. Companies that are guilty and convicted have faced decreased profits, sales growth and customer boycotts of goods and services after convictions (Baucus and Baucus, 1997). Blowfield and Murray (2011:20) states that "by being legally responsible, the companies adhere to local, national and international laws that spell out the do's and don'ts in areas such as employment, environmental protection, corruption, and human right safety".

2.2.3 Ethical Responsibility

Businesses are expected to commit their duties in an ethical manner. Post et al. (1999:16) define ethics as “guidelines about what is right and wrong, fair and unfair, and morally correct when they make decisions”. This means that various stakeholders expect companies’ practices to be done in the most acceptable ways without going beyond the social parameters of what is perceived as right or wrong. Carroll (1991) indicates that it is the ethical responsibility of a company to observe what society considers moral, integrity and accepted rather than complying with laws and regulations alone. Therefore, corporations are expected to carry on their operations by safeguarding the interests of customers, suppliers, employees, communities, environment and others in an ethical manner. In the words of Carroll (2009:199) the “business people are most apt to view stakeholders as ends as well as means, thus leading to more ethical treatment. By viewing everyone they come into contact with, they are most likely to treat these stakeholders in a fair or an upright manner”. In addition, business ventures with programmes that observe ethics is an indicator of respect towards communities, individuals and employees for continued support, financially or otherwise.

2.2.4 Philanthropic Responsibility

Philanthropy connotes donations and contributions by companies to the general society, ranging from one member to groups and organizations in need (Collins, 2012). When it is undertaken in the form of time for similar reasons, it is known as volunteerism (Collins, 2012). These donations and contributions are intended to improve the recipient’s condition on an altruistic basis through corporate giving, product and services donations, employment skills, job opportunities and development projects (Collins, 2012; Griseri and Sepala, 2010). Companies that engage in philanthropy eventually improve the social and economic status, goodwill and reputation building, and employees’ work morality (Porter and Kramer, 2002). Also, philanthropy is believed to provide a buffer when companies are at loggerheads with surrounding communities (Porter and Kramer, 2002). Yet, being socially supportive of employees seems to make good economic sense and are of benefit to the firm’s stockholders (Post et al., 1999).

2.2.5 Environmental Responsibility

Businesses have to ensure that they operate within the boundaries of the best environmental management and practices to ensure that the future generation is not compromised (Collins, 2012). Managers now realize that managing the relationship between organizational operations and the environment can enhance profits and long-term success, as well as the quality of life for current and future generations (Collins, 2012). Environmental-friendly organizations have adopted a triple bottom line approach that assesses three performance factors: economic performance, social performance, and environmental performance (Elkington, 1994). Thus, profit, people and planet all matter for organizations seeking to ensure long-term viability (Collins, 2012). However, it is expected that companies cannot necessarily implement all five themes, based on the resources available, but can only choose one or more areas of interest to concentrate on.

2.3 Historical Antecedents of CSR

The historical antecedents of CSR started in the mid-20th century, and most prevalent practices arose after World War II, especially in the 1960s (Carroll, 1979; Carroll and Shabana, 2010). The CSR success was championed by the efforts made initially by the academicians, business practitioners and executives in the Western World, mostly in America and the United Kingdom (Reich, 1998). The beginning of modern time for CSR took its course, when Howard R. Bowen, who is referred to as a pioneer of CSR, published a book on Social Responsibility in Business in 1953 (Carroll, 1979; Yam, 2012). Bowen's book emphasized that good CSR supports the society's welfare through education, employee relations, altruistic activities, quality products, investment and increased profits (Fredrick, 2006). Another book published in support of the rise of CSR was by Joseph McGuire in 1963, titled *Business and Society*. McGuire emphasized on the need for companies to adopt and practise CSR by arguing that corporations are responsible to society and should not be limited to economic and legal aspects alone (McGuire, 1963). These books helped to shape the discussion within the practice and academia in the early stages of CSR concept. More supportive arguments were given by other American academics, such as William C. Fredrick, Prakash Sethi, George Steiner and Keith Davis. These academics are referred to as

the first CSR generation as their contribution to research and theory on CSR have been huge (Fredrick, 2006).

In the United States (US), corporations came under attack for being too big and powerful, and guilty of being anti-social around the start of the 20th century. Factors such as social movements, civil rights, women and children's rights, consumer and environmental rights were among the key triggers behind the corporations' managers and owners to think and act in a responsible manner to society (Fredrick, 2006; Carroll and Shabana, 2010). Faced with the social protests, business executives such as Andrew Carnegie-a steel maker, Frank Abrams of Exxon, Richard Eels, and Henry Ford advised corporations to use their power and influence voluntarily for broad social purposes rather than for profits alone (Fredrick, 2006; Lee, 2008). Andrew Carnegie became a greater philanthropist who gave much of his wealth to educational and charitable institutions all over America (Lawrence and Weber, 2011; Crane et al., 2014). According to Fredrick (2006), Frank Abrams played a major role in calling upon fellow executives to think and act professionally in responding to other business constituents other than shareholders alone. He argued for managers to consider harmony, rights of employees, stockholders, customers and the general public for the common good of businesses. In 1960, Richard Eels called for his electric company to be caring towards employees' needs, have full respect to customers, fair treatment of suppliers, and increased shareholder wealth via profitable undertakings (Fredrick, 2006). Henry Ford from Ford Motor Company is another role model in the history of CSR who strived to uplift the status of its employees and health standards, above the motive of benefiting financially (Lee, 2008). These tireless efforts of the wealthiest persons giving their fortune to benefit society contributed immensely and inspired others in the development of CSR. Today, it is acknowledged that people such as Warren Buffet have contributed a huge sum of \$44 billion to organizations such as the Bill and Melinda Gates Foundation and others to support health problems in Africa and other parts of the globe (Lawrence and Weber; 2011).

In the UK and Western European counterparts, the rise of the idea about businesses being apt for the consideration towards social and not economic undertakings only is traced back to the Victorian industrial time (Cannon, 1994; Bichta, 2003). The notable persons who championed the idea that business has another obligation to serve society issues include

Robert Owen, Lord Shaftsbury, Lord Ashley and John Stuart Mill (Bichta, 2003). These pioneers, among others, were interested to see that successful individuals show concern and are responsible to the needs of those who failed to flourish from the industrial revolution. Many entrepreneurs such as Robert Owen, Cadbury and Leverhulme took on the ‘enlightened self-interest’ and were of the view that if employees are treated well, they would respond well (Bichta, 2003). The UK business men participated in programmes that supported social activities, mostly in education and public health services (Bichta, 2003).

However, the UK, which is regarded as a leader in CSR, and its policies in Europe by corporations and executives started to seriously engage with CSR issues that affected society in general in the 19th and early 20th century (Steurer, 2010; Bichta, 2003). For instance, CSR rose up in the 1970-1980s, when it gained broader acceptance while taking in regard to issues of high unemployment rates and rampant social unrest that overwhelmed the country at that time (Conley and Williams, 2005). Companies such as Cadbury and Rowntree provided housing, health care and education to the workers and their families (Crane et al., 2014). Other European countries started to embrace CSR in the 2000s due to the influence of the European Union (EU) in 2002 when it issued guidelines concerning CSR communications and emphasized on transparency and convergence of CSR policies (Steurer, 2010).

Other territories, such as Eastern Europe, the Middle East, Asia and Africa had practised CSR in a different way based on each territory’s cultural background. This is because countries, individuals, businesses and organizations perceive and understand CSR at different stages and time, depending on the nature of the driving forces (Post et al., 1999; Waddock, 2008; Hoskins, 2012). CSR, as it is seen today, reflects the concept in modern terms of developed countries, and reached beyond the European territory in the 21st century to developing countries. The only exception is that there is no record of what was previously done in the other territories in regard to activities related to CSR. Frynas (2009:3) states that “business practices based on moral principles and controlled greed were advocated by the pre-Christian Western thinkers such as Cicero in the first century Before Christ (BC). Also, their non-Western equivalents such as the Indian statesman and philosopher Kautilya in the fourth century BC, while Islam and the medieval Christian church publicly condemned certain business practices, notably usury”. The way CSR is seen today, it portrays the fact

that it is conducted at the “intersection of development, environmental awareness and human rights, more global in the outlook than earlier times” (Fabig and Boele, 1999:63). Calderon (2011) argues that CSR evolved as a result of the advent of MNC in other societies. Furthermore, “the nature of CSR has changed significantly over time and is still rather diverse, globally, and today it is carried out by huge corporations that are owned by hundreds and thousands of large anonymous shareholders” (Crane et al., 2014:28).

Additionally, the idea of the CSR practices was also adopted by the international organizations and NGOs, and even governments have accepted the contributions that CSR has made to societies. Organizations such as WB, UN, ILO and government agencies are on the front line in promoting CSR. The UNGC formulated the guiding principles of doing business all over the world on human rights, labour, environment and anti-corruption (Collins, 2012). The WBCSD, a coalition of 120 international companies and other corporations, is advocating towards embracing CSR (Crane et al., 2014). In the UK, for example, the government has an interest to see that companies take an active role in CSR locally as well as internationally (Crane et al., 2014).

Nevertheless, the CSR journey was not all smooth as it received opposing challenges. Academics such as Professor Milton Friedman, a US noble prize winner and famous economist; and Theodore Levitt, a business Professor at Harvard Business School, among others, did not support the CSR concept. Friedman emphasized in his book called *Capitalism and Freedom* that businesses should use their resources entirely in the course of increasing profits for shareholders as this is the only responsibility they have, provided the business obeys the law (Friedman, 1970). The view suggests that business executives are not supposed to participate in CSR since doing so would mean going beyond business objectives (Friedman, 1962). Levitt criticised CSR adoption and practice in much stronger terms when referring to it as dangerous to business survival (Moura-Leite and Padgett, 2011). Levitt, stated that “CSR has become a deadly serious occupation...businesses will have a much better chance of surviving if there is no nonsense about its goals-that is, if long-run profit maximization is the one dominant objective in practice as well as in theory” (Levitt, 1958:49). Despite these fierce challenges, the concept of CSR flourished over time (Lee, 2008; Carroll and Shabana, 2010).

2.4 CSR Practices and the Stakeholder: Community Members Perceptions

This section describes the practices of CSR in Tanzania by addressing the kinds of practices undertaken by companies and the respective perceptions of community members on the practices.

2.4.1 The CSR Practices

CSR practices' dimensions differ across companies, industries and countries depending on the nature of different stakeholders' influence. Therefore, there is no definitive list of activities that every company wishing to comply with CSR issues has to abide to. This is due to the fact that CSR is in most cases practised on a voluntary basis, although a few developed countries, such as France, Denmark and the Netherlands have adopted mandatory social and environmental disclosure (Griseri and Seppala, 2010). Canada and the UK have adopted voluntary disclosure which requires companies to include CSR reports, while Japan has mandatory disclosure verified by auditors (Griseri and Seppala, 2010). According to Cannon (1994), the society depends on the corporation's existence in many aspects, such as essential obligations of wealth generation and employment creations. However, companies claim that lack of enough resources, low employee awareness and top management support to prevent them from participating in pertinent issues affecting the society (Kehbila et al., 2009).

The practices of CSR are categorized into a number of differing classifications, and yet they seem to converge to the same role and importance to recipient groups. As described previously, the classification has been on those activities indulging in economic, legal, ethical, philanthropic and environmental concerns (EC, 2006; Dahlsrud, 2008). However, the recipients have no choice over what the company can offer through CSR. Nonetheless, consideration should be given to the most pressing needs of society in which the company operates. Chapple and Moon (2005) propose CSR in three groups to cover community, environment and workforce structure. The community concerns include agriculture and economic development, arts and culture, education and training, environmental conservation, health, housing, religion, sports, poverty and emergency reliefs, and youth related projects (Chapple and Moon, 2005).

Despite these classifications, most of the companies in developing countries focus mainly on philanthropic activities and volunteerism, which means “the donation of time for similar purposes” (Collins, 2012:387). Collins (2012) further clarifies that the supports companies provide to different stakeholders include cash donations, product or services (books, health equipment, food); skills and training, and job opportunities. As such, Chapple and Moon (2005) focused to a large extent on philanthropic activities, seeing them as a crucial practice that companies have to accomplish for their stakeholders. CSR practices are of paramount importance as most developing countries are still struggling for services in education, health, clean water, infrastructure, standard of living and addressing poverty; and the majority of their populations still live with under US\$ 1.25 a day (UNDP, 2010). Companies indulging in CSR can help to bring families out of these dangers by contributing to them with education, economic activities, employment, goods and services, and an improved business environment (Cannon, 1994; Amalados and Manohar, 2013). Furthermore, CSR practices help companies to achieve a number of objectives through reactive outsourcing (Collins, 2012); to sustain legitimacy and goodwill to stakeholders. Also, CSR offers a work-life balance, which means “achieving the balance between time spent working and personal life; no matter how enjoyable the work may be, employees need time away from work for their personalities and replenish energy” (Collins, 2012:376). This implies employees’ leaves, weekends and other legally acceptable absences on public holidays and sickness.

Empirical evidence from developing countries shows that CSR practices are rare and seasonal in nature. Thus, companies are involved in activities depending on the nature and circumstances, such Muslim religious festivals, Christmas and New Year (Zulkifl and Amran, 2006). In these events, then, companies and individuals will give philanthropic or humanitarian assistance with food, money, clothes and tricycles for those with a disability. In a study convened in India to determine the nature of CSR, Rohini and Mahadevappa (2010) found that the practices were directed to workplace, environment, and socioeconomic responsibilities.

Other studies have found that community involvement; which is philanthropic in nature, has dominated most company practices and volunteerism (Chapple and Moon, 2005 and Collins, 2012). Yet, others are focused on social, economic, legal and environmental concerns. In

India, Baxi and Ray (2009) found that a family owned company contributed cash for laboratory equipment, education books, water, sports, local entrepreneurs and NGOs. Blagov and Petrova-Savchenko (2012) in Russia found companies' philanthropic activities were mainly in: monetary and service contributions, donations in-kind, employees' donations and various sponsorship programs. Also, Kansal and Singh (2012) in India found that companies were heavily involved in human resources (employee benefits, promotion and training) and community development (education, scholarships and public health). In Bangladesh, stakeholders preferred to focus on health services, community programmes and environmental protection (Khan et al., 2009). In Korea, large companies offer charity contributions and volunteering, and cash donations to counter out any bad reputations associated with tax evasion (Nam, 2011). In Kazakhstan, Mahmood and Humphrey (2013) found that local and MNEs contribute economically only, perhaps due to the country's low level of development since her independence in 1992. Kabir and Akinnusi (2012) in Swaziland found companies support communities, human resource concerns, and environmental consideration. Also, Lu and Castka (2009) found that the companies practiced CSR through the provision of charitable donations, education, health services, and sponsoring sports, arts and culture.

The findings from the companies' practices indicated above are various and mixed. Local companies and MNEs are inclined to do whatever is important, and this is determined by the country's level of development. Companies operating in countries where, for example; the level of education or health services is still low prefer to contribute in these areas most. The presence of MNEs and local counterparts in Tanzania might provide varied practices in their areas of operation. This study sheds light on the practices from MNEs and local companies by determining their nature and the extent to which these practices are seasonal, and whether or not they are dependent on particular circumstances. Aside from studies in other emerging countries, only a few studies have started to emerge in Tanzania (see Lauwo and Otusanya; 2014). The studies in Tanzania have focused on human rights and community activities on one mining company only (Emel et al., 2012; Lauwo and Otusanya, 2014). This study complements the few previous studies undertaken by extending into the other sectors of oil and gas, manufacturing, mining, banking and telecommunications.

2.4.2 The Stakeholder (Community Members) Perceptions of CSR

According to Blowfield and Murray (2011:206), a stakeholder(s) is “any person or organization affected by or with the power to influence a company’s decisions and actions”. The company stakeholders are categorized into primary and secondary groups (Freeman and Reed, 1983; Clarkson, 1995, Collins, 2012). According to Clarkson (1995) primary stakeholders provide resources for the survival of the company as a going concern and include: shareholders and investors, employees, customers, and suppliers. The secondary stakeholders indirectly affect or are affected by the company’s activities include: community members, NGOs, the media and the government. While primary stakeholders provide resources, secondary stakeholders provide infrastructures and markets, and the laws and regulations that are to be obeyed (Clarkson, 1995; Collins, 2012).

Stakeholder perception is “a way of regarding, understanding or interpreting something” (Stevenson and Waite, 2011:1063). If the stakeholder referred to as ‘the community’ generally doesn’t have a positive perception of organizations, such organizations will be affected to a large extent. Positive or negative perceptions create expectations or uncertainties respectively (Cannon, 1994). Therefore, companies have to align themselves well with stakeholders to maximize positive expectations and minimize uncertainties. In their operations; “corporations must not knowingly do anything wrong that could harm their stakeholders; and even if they cause harm, then they must rectify it whenever the harm is discovered and brought to their attention” (Campbell, 2007:951). Stakeholders’ perceptions and expectations towards organizations vary according to stakeholders. Owners expect to receive positive returns through increased profit earned from their invested capital and employees expect to get a good salary, job satisfaction, training and development (Cannon, 1994). While customers and creditors anticipate quality goods and services and evidence that the company is worth lending to, suppliers of goods and services expect to receive payments when the time is due. Finally, the community receives goods and services as it provides customers and employments for the company (Cannon, 1994). In addition, the community also expects to receive donations; while the government is interested in seeing companies complying with laws and regulations.

As the number of stakeholders is myriad (Post et al., 1999), companies through CSR cannot consider all stakeholders; much attention is paid to the company itself and the primary stakeholders (Oberseder et al., 2013). All stakeholders cannot derive benefits from companies; while some are affected by the company practises others are not (Walley and Whitehead, 1994). Due to limited resources, attention is placed on the primary stakeholders in most cases, although secondary stakeholders are not ignored at all (Oberseder et al., 2013). So, managers respond to the stakeholders' needs based on the urgency of their claims and the principle priority is those affected most by companies' operations (Greeno and Robinson, 1992; Collins, 2012). Generally, the community members surrounding companies' operations are affected most. It is from this perspective that this study explores the perceptions of the communities on the CSR contributions from companies. The nature (good or bad) of the relationship between communities and companies is also explored. The benefits and/or disadvantages the recipients obtain are determined, along with an analysis of the most important kind of contributions from companies. Community groups linked to mining, oil and gas and manufacturing companies are chosen as they have always had the greatest impact on local communities through their operations.

Prior studies in developing countries on stakeholders' perceptions have emerged. For example, in Kazakhstan, stakeholders perceive CSR as a major means of improving company performance through public image and community support, increase customer loyalty, and attract and retain qualified employees (Smirnova, 2012). Additionally, the study found that stakeholders perceive CSR to be a tool used to improve and protect the environment within legal frameworks. In Korea, stakeholders perceive CSR as a window dressing tool used by companies to determine stakeholders' views (Nam, 2011). Accordingly, Wang and Juslin (2011) found that youths in China perceive CSR as a way to boost economic and social dimension because companies create jobs locally. The negative perceptions were that companies' rendered unsatisfactory levels of practices on environmental protection. In India, companies are influenced by focusing mainly on the interest of customers, employees and the community to a large extent (Arevalo and Aravind, 2011).

The community's perceptions for this study are not known given that there is no study which addresses the same issues in Tanzania. There is disagreement between corporate bodies and the community on how much companies should contribute through CSR. This demonstrates that communities have not drawn the line of demarcation from CSR and legal obligations to companies. Finally, most of the previous studies show the relevancy of primary stakeholders, while stakeholders such as the local community have been given little attention. This study aims to contribute towards filling this gap by determining how the beneficiary community perceives CSR practices in Tanzania. To address the gaps in 2.4.1 and 2.4.2 above, this study addresses the following question:

Research Question 1 *What are the CSR practices of companies operating in Tanzania?
How do the beneficiary communities perceive CSR activities?*

2.5 Motivating Factors for CSR Practices

Companies have been motivated by various reasons and factors to adopt CSR practices while carrying on their core business activities of producing goods and services. These motivating factors can be categorized into internal and external factors.

2.5.1 Internal Motivations

Internal factors influence the companies internally such as the ability to follow ethics, managers' understanding of organizational roles, and legal forces. These factors are embedded in a morally built company to increase its ethical practises (Heugens et al 2008). Companies depend significantly on the level of motivation and commitment of individual employees, management and the organization as a whole to operate for the sake of good. At an individual level, the focus is a personal responsibility; managers direct and supervise employees and organizations to observe strategies and objective systems for doing well (Mele', 2009). According to Wood (1991) company managers are motivated to undertake CSR activities in order to be perceived legitimate by focusing and acting ethically in a manner society expect them to behave. Also, the motivations may result from the managers' knowledge and ability to comprehend matters within and outside the organizational sphere

(Wood, 1991). Susilowati (2014) argues that CSR activities are supported by senior managers who possess strong business skills, aiming to strike a balance between profit maximization objectives and social commitment in general. Managers then may adopt are active (defensive or responsive strategy) in selected practices only or proactive (anticipation initiatives) strategies in most of the practices (Detomasi, 2008; Blagov and Petrova-Savchenko, 2012) to try to minimize the effects of business operations on society.

However, the motivations seem to be pragmatic in nature and each and every organization might perceive differently the motivations that help to harmonise the business and stakeholders in general (Achda, 2006). In the words of Wood (1991), CSR should be linked to the firm's objectives and managers are responsible to determine which issues are pertinent to the society and worth doing. Societies have always expected companies to reciprocate back to communities as they make them financially sound (Cannon, 1994; Susilowati, 2014). That means, both managers and communities have a role to play when determining what CSR activities are relevant to the latter. Moreover, managers are also motivated by factors such as training, cultural upbringing, value and ethics, and job experiences that bring varied social interactions to adopt CSR (Wood, 1991).

Additionally, other managers are motivated by legal forces to adopt CSR strategies. In doing so managers correspond to the 'legal and enforcement actions, court cases and fines and the government' (Lee and Hutchison, 2005: 87). To exemplify this, Chan and Welford (2005) argue that non-complying companies with social and environmental issues have experienced accusations and their negligence has led to a huge decrease in sales. Also, companies are motivated in CSR because through it, they are able to penetrate the market and reach new customers; they build corporate goodwill, and employees' attraction (Detomasi, 2008). These motives are part of a core strategy that a company implements in order to win and prosper in competitive business. Any rational manager would wish to spend some of their resources to build these core competencies for a good return for the company in the future. Jamali and Mirshak (2007) argue that managers are in a position to exercise and respond to CSR programs especially in the discretionary sense.

Studies on internal motivating factors are on the rise in developing countries. In South Africa, Kehbila et al., (2009) found companies motivated in CSR to improve employee conditions and company image and reputation. In Lebanon, companies are motivated by legitimacy principles and managerial discretion (Jamali and Mirshak, 2007). The companies chose CSR because they want to be perceived as legitimate or they are reacting in order to restore legitimacy at stake. In Swaziland, Kabir and Akinnusi (2012) found that companies are motivated by the need to increase corporate image and fulfil environmental laws set by the government. Arevalo and Aravind (2011) studied CSR in India, and found that companies pursue CSR because it reflects their core values, is 'the right thing to do' and supported by top management. In Bangladesh, Momin and Parker (2013) found managers were motivated in CSR as they wanted to improve corporate image.

2.5.2 External Motivating Factors

External factors are those imposed upon companies from parent companies, NGOs, the government of the host country, governmental agencies, and community groups (Muller and Kolk, 2010). One of the driving forces is sighted as institutional and structural changes due to contemporary globalisation, deregulation and the technological advancements that took place since the 1980s, bringing many changes in the form and content of practices (Hoogvelt, 2001; Held and McGrew, 2002). Globalization and technological development have led the world's advanced countries' MNEs overwhelmingly investing in the booming economies of emerging and developing countries for favourable investment and growth (Kakabadse and Kakabadse, 2003). The result is a significant increase of the interconnections of the global economy, which have resulted in shaping the societies in regard to forms and content of CSR practices (Korten, 2001).

Newell and Muro (2006) and Ararat (2008) argue that MNEs from advanced economies are among the key drivers of CSR and are often responsive in their home countries and replicate the same in response to shareholders and activist pressures. Furthermore, developing countries' CSR is also driven by outside financial forces and development agencies such as the WB, the German Technical Cooperation Agency (GTZ), United States Agency for International Development (USAid), the Department for International Development (DfiD)

and others (Rahaman et al., 2004; Ararat, 2008). These agencies have always contributed huge sums to governments, NGOs, Community Based Organizations (CBOs) and communities for various reasons without conditions. Additionally, pressure imposed from international buyers and parent companies is also a reason for companies to undertake CSR (Belal and Owen, 2007; Belal and Momin, 2009). Another form of pressure is exerted by the government of the host country, agencies, NGOs and communities in varying circumstances.

Prior studies on external motivations in Bangladesh indicate that managers are influenced by management of the parent companies to practice CSR (Momin and Parker, 2013). In Hong Kong and China, Cheung et al. (2009) found that companies were motivated to indulge in CSR partnerships to help achieve foreign legislation requirements for those companies operating abroad. Another study in Bangladesh carried out by Islam and Deegan (2008) found MNEs are pressurised by buyers who want better working conditions, awareness of workers and collaboration with NGOs and better media and environmental performance. In Uganda, Katamba et al. (2012) found that companies are motivated to practice CSR due to external pressure.

Due to differences in levels of development, motivations that apply in the context of Tanzania might be different from other countries due to variations in customers' behaviour, cultural background and the nature of consumers. Beckman et al. (2009) while studying the emergence of CSR in Chile found that corporate culture used to frame the initiatives were not similar to practices in developed economies. The study conducted in India by Narwal and Sharma (2008) found that companies are motivated by the desire for governmental tax exemptions and other incentives. The study also found that CSR is driven by the business sector supported by NGOs. Developing countries' markets do not copy their Western counterparts' economic approaches because their social beliefs and practices do not fit well into Western social means (Mostovicz et al., 2011). Therefore, this study explores the motives behind CSR practices by addressing the following question.

Research Question 2 *Why companies are motivated to practice CSR in Tanzania?*

2.6 Institutional Roles in CSR

CSR of both MNEs and local counterparts are facing an institutional framework in their day to day operations. These institutions are composed of the government regulatory domain, NGOs and community or beneficiary groups. MNEs invest abroad due to decreased production costs, ability to expand in the new markets and new products or services for customers as a result, in turn, they contribute towards the economy of the country (Detomasi, 2008). While MNEs and local companies strive to operate to achieve their objectives (Steurer, 2010) they interact in many ways with governments and their agencies, NGOs and the surrounding communities. The CSR is still a voluntary practice in many countries and so institutions are expected to create some form of roles in order to encourage and provide a good CSR environment.

2.6.1 Role of Governments in CSR

Governments possess ultimate power and authority in terms of policies and strategies targeting social and economic developments (Wu and Davidson, 2011). Consequently, governments provide a good regulatory framework for companies to earn profits and set guidelines that encourage more voluntary CSR (Fox et al., 2002; Steurer, 2010). Government is a huge supporter of the CSR agenda as they derive benefits which can improve the welfare of the people in the country (Steurer, 2010). Although CSR activities in most developing countries are voluntary in nature, government regulations are still part of the process to oversee and control them (Bartle and Vaas, 2007). However, businesses and governments share some of the objectives in meeting stakeholders' demands through practising CSR. This helps to avoid use and application of the strict-laws imposed upon them by governments alone (Steurer, 2010). As Albareda et al. (2008) suggest; the challenges faced by governments in meeting community demands cannot be handled by the state itself. It is important to acknowledge partnering with businesses and civil society organizations with the common goal of social and environmental concerns. Even in developed economies such as the UK and Ireland, incentives are still provided to seize opportunities arising out of CSR through public-private partnerships (PPP) (Albareda et al., 2007).

Fox et al. (2002) suggested four roles that governments play in an attempt to accomplish CSR within the business community. The roles include: mandating, facilitating, partnering and endorsing. Albareda et al. (2008) indicates other governmental roles such as regulating, brokering, warranting and creating an enabling environment. Fox et al. (2002) contends that the mandating by government refers to observing the minimum standards that businesses should abide by following laws and codes that are established. Facilitating means that the government provides some incentives to business communities so that they become active in CSR matters. This is achieved mainly through awareness campaigns and guidelines, supporting research and development and other fiscal incentives. In their facilitating role, governments provide various encouragements to attract or motivate businesses to become more compliant with practicing CSR (Albareda et al., 2007).

Another role relates to partnering; whereby the government collaborates with different partners by integrating skills and input from the public sector, private sector, civil societies and NGOs. Albareda et al. (2007) and Steurer (2010) stress that partnering is used by governments to make collaborations and agreements with companies and other stakeholders to undertake joint programmes in order to improve social and environmental conditions. Even companies which fear being side-lined by not participating in CSR prefer to partner with the government and other stakeholders (Blowfield and Murray, 2011). For instance, governments have partnered in the PPP between state and private companies, mostly involved in road infrastructure in Brazil (Griesse, 2007).

Partnerships between public and private health services have emerged in Tanzania following the PPP Act and its subsequent regulations in 2010 (Kowald, 2012). Companies have partnered with the government to supply free mosquito nets to reduce the death rate of children below five years old from malaria (Schellenberg et al., 2001). For example, the Abbott Fund, global health care established in 1951 in the US, has partnered with the government of Tanzania since 2001 on HIV/AIDS (Abbott Fund, 2006). The Abbot Fund has invested 100 million United States Dollars (USD) to date in the partnership, and more than 5 million USD in corporate donations over ten years (Abbott Fund, 2014). There may well be partnerships in other sectors as well, but the influence of government through CSR is yet to be addressed by research. This study uncovers this phenomenon in Tanzania.

2.6.2 Role of Other Institutions (Community members, NGOs and Government Agencies)

As a subset of the civil society sector, community voice is another group that influences MNEs and local counterparts to practice CSR. The community can voice its demands and play an essential role in the business decisions involving CSR. The community might form a coalition to advance their claims towards a company. Such coalitions may include those who are unemployed and redundant, consumer groups, farmers and livestock keepers, environmentalists, human rights activists, health professionals, women and children, disabled people and other minorities formed by like-minded individuals. According to Wu and Davidson (2011:114) community groups “serve as an unofficial watchdog and organizational whistle-blower, ready to raise a red-flag of criticisms if the corporation strays onto a path or policy deemed inappropriate by the group”. The community can pressurize companies by taking to the streets to enforce adherence to their society needs. According to Yang and Rivers (2009) communities may also use various lobby groups in the company and side-line those not paying attention to CSR in their surrounding areas. They view that a community’s voice plays a significant role in influencing CSR practices by companies through public outcry against them using violent or non-violent road blockades or other similar means. Responding to such community demands, many MNEs have established CSR programmes to take heed of the interests of the surrounding people.

NGOs are other influencing mechanism for companies to actively participate in CSR practices. Vakil (1997:2060) defines NGOs as ‘self-governing, private, not for profit organizations that are geared to improving the quality of life of disadvantaged people’. NGOs exist to serve the interest of the few people establishing them or the interest of the wider community (Michael, 2003). NGOs work on behalf of the society surrounding them, they aim to influence policy makers' decisions to be included or represented without becoming part of the management. In addition, NGOs have educational roles for a wider number of stakeholders with whom they cooperate in areas of their specialization (Bebbington, 2004). Governments are criticized about failures to address social and environmental concerns due to reliance on over-bureaucratic and shortcomings in interventions and the decision-making process (Michael, 2003). This is particularly true,

where international and local businesses are not held responsible for their activities by allowing poor working conditions, gender discrimination, and absence of abiding to labour laws (Beschoner and Muller, 2007). According to Bebbington and Farrington (1993) NGOs take part in some public sector activities in order to highlight the inefficiencies and bureaucracy and to encourage participatory development and enhance transparency. This calls for immediate measures to address such conditions by providing goods and services and CSR practices that see different organizations, businesses and governments forging new relationships (Griesse, 2007). Where this applies, some functions related to it are taken over by NGOs to improve social standards (Beschoner and Muller, 2007). It is important for the third sector to align CSR objectives rather than relying on governmental efforts which are sometimes considered unsuccessful (Michael, 2003). Additionally, Collins (2012:383) states, “government exercises control by developing and enforcing rules and regulations, businesses provide goods and services, and NGOs provide goods and services not met by governments and businesses”.

Finally, government agencies and other disciplines in the environment are generated to guide the conduct of the industry sectors in which they operate. These bodies are entitled to deal with the setting and administering of regulations for the sake of stakeholders and communities in general. Executive leaders of agencies use coercive and normative pressures respectively to adopt standards of accounting, regulations on sustainability and environmental protection, especially those considered as environmentally sensitive, such as mining, manufacturing and oil and gas (Ashforth and Gibbs, 1990; Greenwood et al., 2002). Apart from guiding these organizations, they provide checks and inspections of companies in their operations towards promoting companies to adopt and practice CSR. Greenwood et al. (2002:62) states that, “professional organizations act as a negotiating or representative agencies, shaping and redefining appropriate practices of interactions of their memberships. The act of representation is partly a process of social construction”. CSR is one of the social constructions these associations are responsible for.

Studies relating to institutional roles on CSR have increased in developing countries generally. Khan et al. (2009) in Bangladesh found that government pressurizes banks to practice CSR. Another study by Shauki (2011) in Indonesia found that the government’s use

of incentives to induce companies to practice CSR was an essential element. Sobhani et al. (2009) in Bangladesh found the government took major steps towards an institutional framework by observing corporate governance and the stock exchange markets. Koku and Gustafsson (2003) in Ghana found that the institutional framework of district authorities, NGOs and the local community were key to accomplishing environmental protection strategies. Ararat (2008) in Turkey found the government promoted CSR by mandating a capital market board to establish inclusive guidelines that were then followed by all companies listed on the Istanbul exchange market.

In the DRC, Maria and Devuyst (2011) found that mining companies experienced problems with both central and local governments who were not participating in environment protection and CSR. Additionally, Okoye (2012) studied the role of government in relation to CSR in Nigeria and found that there was less partnering with companies to protect the environment. In Kazakhstan, findings show that the government was more involved in CSR on economic and legal issues, while NGOs require businesses to focus on ethical and discretionary issues (Mahmood and Humphrey, 2013). Furthermore, Tan (2009) studied institutional structures in China, and found that the government is not strong on enforcing MNEs, while NGOs are very strong and pressurize the MNEs to adopt ethical standards. Baughn et al. (2007) studied CSR in relation to environmental responsibility in Asian countries found that the level of awareness in is high and determined by economic development, political factors and government influences.

The institutional influences, standard setting and operations systems have become the foundations of CSR in developed countries, while the same is absent from developing countries (Amalados and Manohar, 2013). The current study wishes to examine the role of these institutions and fill the gap. Specifically, the study determines how the government, the agency bodies, community members, and NGOs play a key role in encouraging companies to practice CSR in Tanzania for the well-being of the citizens they represent. To understand this, the following question is raised.

Research Question 3 *How institutions and beneficiary groups play roles in promoting CSR practices in Tanzania?*

2.7 Summary of the Chapter

This chapter has reviewed the literature related to studies conducted in the context of developing countries and particularly Tanzania and identified gaps in knowledge. This chapter has also discussed different meanings of CSR in relation to organizations, governments, NGOs and individuals. Furthermore, different types of responsibilities in which CSR is often described in relation to economic, legal, ethical, philanthropy and environmental issues have been discussed. The historical antecedents of CSR covering main events that evolved mostly in developed and developing countries has also been outlined. In addition, the chapter elaborated on the core issues of CSR practices, stakeholder perceptions, motivating factors and institutional influences in light of the research questions. Fundamentally, the chapter discussed the literature relating to the topic and at the end of each section the respective research question raised in the study has been indicated.

CHAPTER 3

THEORETICAL FRAMEWORK

3.1 Introduction

Chapter two provided a review of related literature on CSR. This chapter is based on the review of the literature and, in particular, it highlights the theories previously used to guide studies on CSR. The review provides a basis for the selection and justification of the theory that guides this study. According to Zikmund (2003:41) a theory is “a coherent set of general propositions used as principles of explanations of the apparent relationships of certain observed phenomenon”. An explanation of the theoretical framework is one of the sources of contribution to knowledge and proof of how the research procedures are adopted to increase understanding of the phenomenon under investigation (Quinlan, 2011).

Bearing in mind the essence of the theory, this chapter seeks to review theories that have been applied in prior studies related to CSR in developing countries. Subsequently, it suggests a theory which is appropriate and relevant to understand CSR phenomenon in Tanzania. The literature review revealed two interesting findings for this theoretical framework. Firstly, the review exposed a theoretical inadequacy where some theories are less used compared to others. Secondly, based on this theoretical gap, the review has also determined which theory is appropriate to lead this study on CSR practices in the context of Tanzania. However, due to the volume of theories used in previous studies relating to developing countries; this chapter is limited to only those appropriately explaining CSR practices.

This chapter proceeds by discussing theories that informed past CSR studies in developing countries. Then, section 3.3 discusses and justifies the relevancy of the theory informing the current research. Finally, section 3.4 summarises the chapter.

3.2 Theories Informing Past CSR Research in Developing Countries

The review of literature informing previous CSR research in the context of developing countries showed that the studies were conducted in relation to the stakeholder theory, institutional theory, legitimacy theory, political economy, neo-institutional and agency theory. Other theories found in the literature review included: resource based, contingency, grounded theory, utilitarian, signalling, human capital theory, accounting theory, descriptive theory, actor network, and emergent theory, diffusion of innovation, market pressure and social life cycle theory.

Although the theories mentioned above were reviewed in relation to prior studies; the subsequent discussion centres on the relevant theories which have been used and are connected to CSR. This thesis discusses the selected theories of stakeholder, legitimacy, institutional, political economy, and media agenda to highlight their application in prior CSR studies followed by the neo-institutional theory on which this study is based.

3.2.1 Stakeholder Theory

One of the theories used extensively in CSR studies is the stakeholder theory. Stakeholder theory has been in use since the 1960s where the idea of having a common understood category of stakeholders was sought to meet the needs of different disciplines to address issues of businesses, society and management. The difficulty was how organizations could manage different elements to achieve corporate social performance, and social control of business (Jones, 1995). Businesses and organizations had experienced management challenges, which meant that they had to find a comprehensive framework to address varied business stakeholders in the 1980s (Freeman, 1984; Freeman and McVea, 2001). Discussions relating to stakeholders were hugely contributed to by academicians from Stanford Research Institute (SRI) in 1963 (Friedman and Miles, 2006), to help achieve refined definitions of stakeholders. Friedman and Miles (2006) were of the opinion that the history of stakeholder concept was being addressed theoretically and superficially. The stakeholder theory flourished and took off following the publication of the Freeman's milestone book entitled, *Strategic Management: A Stakeholder Approach* in 1984

(Donaldson and Preston, 1995; Jones, 1995; Freeman and McVea, 2001). This publication paved the way for expounding stakeholder terminology to correspond to different categories such as primary and secondary stakeholders depending on their power, urgency and legitimacy and internal or external, among others. According to Jones (1995) Freeman's book was the first to recognise different legitimate constituents as opposed to recognising primary stakeholders and shareholders alone.

Thus, the stakeholder theory is “a theory of organizational management and ethics” (Phillips, 2003:15). There is a link between what management does in the organization with respect to ethics; leading to practices being conceptualized as good or bad on its internal and external constituents. Furthermore, Phillips (2003:16) states that, “stakeholders involve attention to more than simply maximizing shareholder wealth. Attention to the interests and well-being of those who can assist or hinder the achievement of the organization's objectives is the central admonition of the theory”. According to Freeman (1984) the notion of stakeholders recommends that managers are obliged to formulate and execute processes that accommodate all constituents having a stake in the organization's business to achieve long-term survival of the business. In conclusion, Freeman et al. (2010:29) state that the stakeholder theory resolves three issues: (i) “understanding and managing a business in the twenty-first century (the problem of value creation and trade); (ii) being ethical, responsible and sustainable, and (iii) imparting knowledge to managers and students about the success in the business world”. By applying the stakeholder theory the relationships between key actors such as customers, suppliers, communities, and employees can be understood (Freeman et al., 2010).

3.2.1.1 Branches of the Stakeholder Theory

The stakeholder theory is categorized into managerial and normative theories (Hasnas, 1998). According to Deegan and Unerman (2011:350); the managerial branch of stakeholder theory requires that “organizations will tend to satisfy the information demands of those stakeholders who are important to the organization's ongoing survival, in terms of financial power to contribute to the resources of the organization”. This implies that stakeholders who are less powerful in terms of financial resources are not given much consideration. However,

Laplume et al. (2008) argues that a fundamental principle relating to the stakeholder theory is that organizations should be managed by considering all constituents, not relying on the suppliers of capital: the shareholders, alone. More often than not, managers are most interested in good results and financial performance that sees their company excelling (Clarkson, 1995); and so concentrate on those who lead to this performance, the fund providers.

According to the normative branch of the stakeholder theory; “management must consider the interests of all stakeholders and when those interests, conflicts, manage the business so as to attain the optimal balance among them” (Hasnas, 1998:26). This suggests that managers have a responsibility towards all stakeholders as opposed to stockholders only (Freeman, 1984; Garriga and Mele, 2004). Donaldson and Preston (1995) argue that stakeholders have legitimate claims to an organization even if the organization cannot derive direct benefit from them; and each stakeholder group requires separate consideration regardless of their importance. Companies are engines that ignite connections with the surrounding communities in carrying out their daily activities (Griseri and Seppala, 2010).

3.2.1.2 Prior research using the Stakeholder Theory

The stakeholder theory is one of the most over-used in CSR studies (Griseri and Seppala, 2010). Most studies in developing countries using this theory relate to CSR stakeholders’ perceptions and engagement, and CSR and a firm’s financial performance (Wang and Juslin, 2013). Other areas highlighted are, stakeholders’ salience to managers (which group of stakeholders is more influential to managers), managerial ownership and CSR performance (Jia and Zhang, 2013; Li et al., 2013). Other studies are concerned with attitudes and CSR and the impact of stakeholders’ culture of CSR (Wang and Juslin, 2013). The stakeholder theory has also been used in conjunction with other theories such as the institutional and legitimacy theory (see, for example, Jamali and Mirshak, 2007; Gunawan, 2007; Beddewela and Herzig, 2013; Coetzee and van Staden, 2011). Yang and Rivers (2009) and Valente (2012) used institutional and stakeholder theories to study CSR aspects in developing countries. Valente (2012) examined the interface of firms in the context of local communities in South Africa and Kenya. Yang and Rivers (2009) looked at the antecedents of CSR

practices of MNEs in the context of China and found companies adopt local practices to legitimize and fit in different institutional environments.

However, the stakeholder theory is not sufficient to explain what, how and why the MNEs and local companies adopt CSR in the countries they have invested. Managers tend to rely more on stakeholders who have a direct benefit to a company, leading to a distinction of the stakeholders' claims (Gibson, 2000). Furthermore, Gibson (2000) argues that the stakeholder theory dwells on the concept of interest –which interest is being advocated; various stakeholders might come up with various proposals that cannot be afforded by the organization. The multitude of stakeholders with their variable claims cannot expect the organization to clearly respond to each and every claim. Additionally, the stakeholder theory is multidimensional in nature and always used in conjunction with other theories (Garriga and Mele, 2004). Despite its importance; the stakeholder theory cannot give appropriate details on the practices, internal and external motivations and institutions influences of MNEs and local companies operating in Tanzania.

3.2.2 Legitimacy Theory

According to Suchman (1995:574) legitimacy is defined as “generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions”. Legitimacy theory is, thus, concerned with the “organizations continually seek to ensure that they operate within the bounds and norms of their respective societies” (Brown and Deegan, 1998:22). Schulberg (1969) suggests that legitimacy implies that the actions of the organizations are proper and accepted by society. Societies' perceptions can change over time depending on the circumstances: organizations must also change accordingly to take into consideration community concerns (Deegan and Unerman, 2011).

Legitimacy theory is rooted in different social science disciplines such as organizational behaviour and sociology (Dowling and Pfeffer, 1975; Deephouse and Suchman, 2008), psychology (Tyler, 2006) and strategic management (Suchman, 1995; Magness, 2006). The theory has recently been applied in accounting, social and environmental disclosures, and

CSR (Guthrie and Parker, 1989; Brown and Deegan, 1998; Islam and Deegan, 2010; Archel et al., 2009). The rise in interest in legitimate concerns was contributed to by organizational and sociology theorists such as Max Weber, who claimed that legitimacy is adopted through both social norms and formal laws (Weber, 1978). Accordingly, Parsons (1956) also viewed that legitimacy is congruent with what the law requires businesses to do; while Deegan et al. (2000) claim that legitimacy focuses on the approach managers adopt to remain legitimate to different organizational constituents.

Legitimacy theory has gained more prominence since 1995 (Deephhouse and Suchman, 2008) following Scott's publication of *Institution and Organizations* (Scott, 1995) and Suchman's (1995) comprehensive article entitled *Managing legitimacy: strategic and institutional approaches*. Scott's (1995) contribution was particularly concerned with the role and relationships of institutions and organizations and society. Suchman's (1995) article contributed to social science literature relating to the definition of the term legitimacy, which had not previously been addressed. Legitimacy theory fits many disciplines because it addresses issues pertinent to organizations, stakeholders and society in general as they depend on one another. Suchman (1995) views that the legitimacy theory solves issues within organizations depending on the conditions facing them at different times and in different places. It acts as a mediator when management faces problems with surrounding communities (Magness, 2006). Companies become legitimate because of the rights conferred to them by society, when the policies of companies are congruent with that of the society (Dowling and Pfeffer, 1975; Magness, 2006).

3.2.2.1 Branches of Legitimacy Theory

Legitimacy theory is categorised into different branches. Suchman (1995) lists three branches of legitimacy theory as: pragmatic interest, moral right, and cognitive legitimacy. It is also categorized into: regulatory, cognitive and normative types (Scott, 1995; Lister, 2003); while Ruef and Scott (1998) argue that legitimacy is derived from internal and external audiences. Although different, they are all intended to generalize the norms, beliefs and values accepted by society (Johnson et al., 2006). According to Suchman (1995) pragmatic legitimacy concerns the caring behaviour of an organization towards close

constituents while the moral right legitimacy emphasizes that organizations perform activities in line with society's expectations. Cognitive legitimacy is about conformance with perceived structures existing within society known as practices that are 'taken-for-granted' (Scott, 1995; Suchman, 1995).

Regulatory legitimacy conforms to existing regulators such as the state, governments and professional bodies (Kostova and Zaheer, 1999). That is, organizations are bound to practice in accordance with laws, rules and regulations. Normative legitimacy highlights the need for consensus between organizational values and those perceived by the wider community (Scott, 1995; Lister, 2003). For internal legitimacy, Ruef and Scott (1998) argue that they are derived from those who mobilize resources and confront organizations about certain practices. External legitimacy (Meyer and Scott, 1983) focuses on collective authority over what is socially acceptable, such as lawyers, accountants, NGOs, media, and other pressure groups. There are no restricted and fixed sources of legitimacy (Suchman, 1995) and as such research has to find out which factors can affect legitimacy in a given context (Greenwood et al., 2008).

3.2.2.2 Benefits of Legitimacy and how companies become Legitimate

Organizations maintain legitimacy in their social and environmental contexts so as to cope with competition for scarce resources and to ensure survival (Dowling and Pfeffer, 1975; Dowling and Pfeffer, 1975; Meyer and Rowan, 1977; Palazzo and Scherer, 2006). Legitimacy is viewed as a resource or abstract capital that must be managed carefully as losing it is costly. Every organization's survival depends partly on how managers are able to build organizational legitimacy. Recently, various instances of misuse of funds, rights abuses, and environmental issues have left a number of companies redundant because of legitimacy challenges (Palazzo and Scherer, 2006).

However, legitimacy is problematic and should be taken care of by organizational managers. Kostova and Zaheer (1999) suggest that legitimacy is a social construct which should be included in understanding society's needs; otherwise a legitimacy gap occurs. Deegan and Unerman (2011:329) state that, "legitimacy gap describes the situation where there is a lack

of correspondence between how society believes an organization should act and how the organization has acted''. According to Sethi (1979), a legitimacy gap occurs due to the disparity between business performance and society's expectations. Failure to disclose what organizations do and when previous unknown information is made known by way of the media it leads to a legitimacy gap (Sethi, 1978). Wartick and Mahon (1994:302) states that the legitimacy gap can result from: "(a) corporate performance changes while societal expectations of the corporate performance do not change (b) societal expectations of corporate performance change while the corporate performance remain the same. And (c) both corporate performance and societal expectations of corporate performance change, but in diverged direction with a lead or lag relationship''. With these changes in performance level and the anticipated societal expectations, managers adopt legitimization procedures and timely disclosure to society (O'Donovan, 2002).

To overcome legitimacy challenges, firstly the organization adopts its own goals, output and methods according to how it defines legitimacy (Dowling and Pfeffer, 1975). Secondly, organizations educate and communicate their practices to persuade their employees, as well as a symbolic display or actual practices (Dowling and Pfeffer, 1975; Sethi, 1979; Richardson, 1985). Furthermore, Dowling and Pfeffer (1975) suggest that charitable contributions and the inclusion of government officers or other persons of legitimate status in society to become part of the board's composition is another way to restore legitimacy.

3.2.2.3 Prior studies using the legitimacy theory and its relevance to the current study

Various studies directed at CSR have also been conducted in light of the legitimacy theory in developing countries. Using the legitimacy theory; Soobarayon and Ntim (2013) studied CSR symbolic and substantive forms of HIV/AIDS in South Africa. Haniffa and Cooke (2005) determined the impact of culture and governance on CSR. De Villiers and van Staden (2006) studied the environmental disclosure in South Africa and found legitimating aims of companies vary according to time and the circumstances faced. Also, Nyahunzvi (2013) studied the hotel industry to examine CSR reporting in Zimbabwe. In Malaysia, Haji (2013) used the legitimacy theory to study CSR disclosure and found that the level and extent of disclosure is increasing. Das (2013) studied corporate reporting of insurance companies in

India. Kabir and Akinnus (2012) studied corporate social and environmental reporting practices in Swaziland. In addition, Jamali and Mirshak (2007) used the stakeholder and legitimacy theory to study CSR theory and practices in Lebanon and found CSR unsystematic, unfocused and not established in the organisation. Using stakeholder and legitimacy theories, Gunawan (2007) studied corporate social disclosure by Indonesian listed companies. Furthermore, Beddewela and Herizig (2013) studied corporate social reporting by MNEs in Sri Lanka using the institutional and legitimacy theory. Coetzee and van Staden (2011) combined institutional and legitimacy theories to study the practices of mining companies in South Africa, where safety issues are disclosed for fear of legitimacy threats.

Despite the usefulness of the legitimacy theory in prior studies, it is not sufficient to provide a reasonable explanation of what, how and why the MNEs and local counterparts practice CSR. The theory is limited to the explanation of legitimacy challenges arising from companies' wrongdoings (Palazzo and Scherer, 2006) and cannot establish the institutional mechanisms (government regulations, local people and competitors) that affect the companies' operations. Using stakeholder and institutional theories are multifaceted (Lister, 2003) and cannot be understood together at once.

3.2.3 Media Agenda Setting Theory

The Media agenda setting theory focuses its attention on the media relating to issues taking place and the degree to which these issues have an impact on the general community (Ader, 1995; Brown and Deegan, 1998). The historical development of the media agenda setting theory reached a climax following the publication of the seminal work by McCombs and Shaw in 1972 on the role of mass communication in the marketplace (McCombs and Shaw, 1972; McCombs and Shaw, 1993). According to McCombs and Shaw (1972) media has the ability to influence public knowledge and opinions because it raises awareness of the issue. However, the media have little impact if the issue being communicated is not important and the public already has knowledge of it (Deephouse, 2000). This theory has gained prominence in other management disciplines such as politics (McCombs and Shaw, 1972; Moon, 2011); communications (Malmelin, 2007); and management (Stephenson and Turner, 1994; Capriotti, 2009). Nevertheless, recently researchers in accounting and business

disciplines have started using the media agenda setting theory to examine different corporate activities impact on the surrounding communities' practices (Capriotti, 2009; Islam and Deegan, 2010).

3.2.3.1 Descriptions and Features of Media Agenda Setting

McCombs and Shaw (1993:63) state that the “media agenda setting theory is about the transfer of salience, both the salience of objects and the salience of their attributes”. According to Carroll and McCombs (2003), the media agenda setting theory is used to explain the influence of the media on decisions made by the public over corporate practices. These decisions may be positive or negative depending on the importance of the event as described by the media. Media information can be derived from a variety of sources. McCombs and Shaw (1972) divide media news into televised, newspapers, magazines, editorial columns of magazines and newspapers and minor information, all of which are disseminated to the relevant public using spoken or written forms. Deephouse (2000) indicates further sources such as press releases, annual reports, information departments, complaints and suggestions from individuals and organizations, government institutions, media employees, reporters, newspaper editors and columnists.

McCombs and Shaw (1993) further demonstrate that agenda setting is more influential in determining that the news tells us what and how to think about after it is disseminated. This is because upon receiving news, communities will start to react to it and try to come together to deal with the situation. Also, news has the ability to show how big the social problem is and provide alternative solutions, or highlight the efforts needed to take an immediate course of action (McCombs and Shaw, 1993). Aerts and Cormier (2009:1) state that “firms use corporate communication media to manage perceived legitimacy by signalling to relevant publics that their behaviour is appropriate and desirable and at the same time react to public pressures by adapting the level, content and quality of information”. The communication acts as a bridge that connects public and corporate practices. Carroll and McCombs (2003) contend that the core concept of the agenda setting theory is that the elements described in the news have an influencing effect on the elements perceived important among the public. According to Carroll and McCombs (2003) in all the media in use, the power of the message

is manifested in the repeated attention to an object on a daily or certain interval basis about its salience no matter how short the news may be.

Therefore, the public use these salience cues from the media to organize their own agendas and agree upon the most prominent issues affecting the society as a public concern. This is used to attract different stakeholders such as NGOs, government agencies, and other pressure groups to provide a collective consensus of public opinion against corporate practices (Carroll and McCombs, 2003; Capriotti, 2009). However, the media can also be used to counter any negative behaviour aimed at it by different public groups. Companies use the media to respond to attacks that might not be relevant to what they do. Stephenson and Turner (1994) contend that a company can overcome the negative impacts that can damage its image by issuing press releases and having dialogue with the media to address any misunderstanding. Doing this, any information passed on to the public places the company in a proactive and winning situation.

Companies also resort to the use of media because it is cheaper and easier when reacting to the immediate situation, it can cover a wide area within a short space of time to influence the public (Deephouse, 2000; Meijer and Kleinnjenhuis, 2006; Cappriotti, 2009). The media also provide information to different stakeholders and it reduces information asymmetry. Stakeholders who lack direct experience with a firm because of distance or accessibility can instead rely on the intermediary information given by the media (Deephouse, 2000). That is, the media plays a critical role in guiding the direction of public attention because individuals cannot focus on every issue (Moon, 2011). According to Malmelin (2007:304) communication is “an organizational asset, but the success of the business depends on the way in which the role of communication is understood”. Therefore, CSR can be promoted by the media to improve companies’ performance and reputation by disclosing what and how they correct weaknesses and mistakes made (Zyglidopoulos et al., 2012). Consequently, the weaknesses and mistakes are amended through promises explicitly or implicitly in newspapers, televisions, newsletters and press releases among others (Zyglidopoulos et al., 2012).

3.2.3.2 Prior research and relevancy of the media agenda setting theory

The media agenda setting theory has been of little use in research conducted in developing countries, despite its relevance to the current state of business and media communication. A review of previous studies indicates that the media agenda setting theory is normally applied in accounting, finance and business disciplines in conjunction with other theories. Islam and Deegan (2010) studied Swedish subsidiaries in Asian countries using legitimacy and media agenda setting theories on media pressures and corporate disclosure of CSR performance. This study found that the negative media attention was directed mostly towards hiring children as a source of labour, poor working conditions and lack of community support. Eljido-Ten (2011) studied the media coverage and the voluntary environmental disclosure in Malaysia in light of the stakeholder and media agenda setting theories and findings showed that the media is powerful when information disclosed about the environment was negative in nature while stakeholders had little influence over the media. In South Africa; Coetzee and van Staden (2011) used the media agenda and legitimacy theories when examining safety and found that companies resort to disclosing mining accidents in fear of a threat to their legitimacy.

3.2.4 Political Economy Theory

Political Economy Theory (PET) provides an alternative approach to guiding accounting and CSR research by comprehensively paying attention to the organizational structures and how they fit in the environmental context in which it operates (Cooper and Sherer, 1984; Riahi-Belkaoui, 2004). Gray et al. (1996:47) defines PET as “the social, political and economic framework within which human life takes place”. There is a relationship between resources and production and distribution within the political environment in which organizations and individuals interact in a rational manner (Cooper and Robson, 2006). A society which is comprised of individuals and corporations requires political and economic support to direct and guide the conduct of its activities (Scherer et al., 2014). The economy is dominated by MNEs who experience economic fluctuations and are impacted upon by the state which manages the economy, preserves society and formulates accounting policies (Riahi-Belkaoui, 2004). The dominance of companies in developing countries necessitates the need for politically led governments and societies to come together to harmonise the power relationships required for CSR (Scherer and Palazzo, 2011).

PET dates back to the period of Adam Smith in 1776 and to Ricardo in 1817 and evolved through different time spans with ideas and concepts being developed according to the socioeconomic and political settings (Tinker, 1980). Peterson (1990) suggests that the conception of PET has been around in literature since the times of Plato and Aristotle, who paid attention to the supply of goods for the wellbeing of society. Two inherent competing economic viewpoints of income in accounting led to PET: Classical and Bourgeois (neo-classical) orientations (Tinker, 1980; Gray et al., 1995). Classical PET pays attention to the “class interest, structural conflicts, inequity and the role of the state in the heart of the analysis” (Gray et al., 2009:20). It is concerned with the separation of power among the people within politics and institutions from which rules and regulations emanate (Tinker, 1980). While Bourgeois (neo-classical) PET is concerned with the factors of production and how the level of technology affects the amount of input and output and quality (Tinker, 1980).

3.2.4.1 Descriptions and Features of PET

The basic features of PET are described by Cooper and Sherer (1984:218) in that “it should recognize power and conflict in society and consequently should focus on the effects of accounting reports on the distribution of income, wealth and power in society”. By recognising these interrelationships; companies practice CSR to challenge any of the issues or relations at stake with their multiple stakeholders (Scherer et al., 2014). Tinker (1980) suggests that by surrendering part of their income for the benefit of the society surrounding them, companies become powerful in the sense that they will be trustworthy and henceforth achieve legitimacy.

Cooper and Sherer (1984:222) states that, “a PET is thus a normative, descriptive and critical approach to accounting research. It provides a broader, more holistic, framework for analysing and understanding the value of accounting reports within the economy as a whole”. According to Guthrie and Parker (1990:166.) PET, “serves as a tool for constructing, sustaining, and legitimising economic and political arrangements, institutions, and ideological themes which contribute to the corporation’s private interests”. PET is useful in explaining organizations in the context of processes and structures that are

dedicated to the legitimate concerns of social activities, justice, equality and public interest and their alignment in terms of the power relationship within the constituents (Boczko, 2000).

According to Abeysekera (2008) this theory determines the best ways to allocate resources and decision-making not only to achieve economic superiority but also consider wider societal issues. Even the stakeholder and legitimacy theories are interrelated with and derived from the assumptions and characteristics of PET (van der Laan, 2009). Thus, CSR practices reflect the relationship between power and social conflicts within environmental groups, consumers, employees and other community members in society (Tinker et al., 1991; Neu et al., 1998). The interrelationship of PET is caused by the fact that society consists of different individual groups such as capitalism, slavery, feudalism, mercantilism, state and monopoly capitalism (Tinker et al., 1982). Similarly, the institutions in which PET is involved may contain “legal, state, educational, religions, law and order, political-government administration” (Riahi-Belkaoui, 2004:321). In addition, PET operates in diverse environments consisting of stakeholders who could be in conflict at some point in time and, thus, the state who seems to be a passive player; put in place various policies to guide the conduct of the organizations (Cooper and Sherer, 1984).

Despite its relevancy in accounting and CSR studies (Tinker et al., 1991; Brammer et al., 2012); PET is not appropriate to guide this study. Its central admonition rests on the powers conferred by the state and income distribution; a condition not necessarily needed in CSR practices. Midttun et al. (2006) argues that the socio-political environments in which CSR evolves may be subjected to symbolic behaviours and decoupling procedures and sometimes behaves in the opposite way. The theory centres on the interrelationship with structures, social, economic and political settings only (Scherer and Palazzo, 2007) and does not extend beyond in providing an explanation of the effect of isomorphic pressures, especially those emanating from outside the country of a company’s residence. Multinationals are guided by different forces beyond those coming from the political economy contexts in which the investments are located (Midttun et al., 2006). Similarly, the power, structures and morals advocated by the theory do not explicitly indicate how they are linked with the production of legitimacy (Scherer and Palazzo, 2007). The conflicting nature of society that PET pays

attention to (capitalism, slavery, feudalism mercantilism, state and monopoly capitalism) produces more differences between competing views (Lowe and Tinker, 1977; Tinker et al., 1991). Therefore, PET is context specific and the structures, social, economic and political setting of each and every parent company might not be compatible with that of the host country.

3.2.4.2 Prior Research using PET

PET has received less attention in prior studies in developing countries in CSR studies. Shafer and Simmons (2008) investigated the effects of attitudes towards the perceived importance of CSR manipulation and deceitfulness relating to tax avoidance in Hong Kong. Their findings show that professionals who disregard the importance of CSR often facilitate aggressive tax avoidance. In Sri Lanka, the companies disclosed human capital in their annual reports for the sake of reducing tensions from citizens (Abeysekera, 2008). Lim and Tsutsui (2012) examined patterns of CSR practices of governments and companies using UNGC and GRI frameworks and found the they adopted decoupling strategies due to lack of capacity and willingness to do so. Lim and Tsutsui (2012) further found NGO pressure only led to ceremonial practices in developed and substantive practices in developing nations. Detomasi (2008) studied the political roots of CSR and found that companies' decisions to adopt and practice CSR is dependent on the host country's political and institutional settings of governance and societal structures. In China, Li and Zhang (2010) studied CSR ownership structure and political interference. The findings show that there was a positive correlation between private companies with CSR, while state owned companies experienced political intervention and hence negative correlations with CSR. Whelan (2012) recommended that MNEs from Western countries should participate in CSR to help stakeholders in the context in which they operate in accordance with the available genuine political framework.

3.2.5 Institutional Theory

Institutional theory was developed in the 1970s (Deegan and Unerman, 2011). The theory determines the link between organizations and their constituents (North, 1990, 1993; Scott, 1995; Dacin, 1997; Larrinaga-Gonzalez, 2007). Lawrence and Shadnam (2008:2289) states that “institutional theory is a theoretical framework for analysing organizational phenomena, which views the social world as significantly comprised of institutions - enduring rules, practices, and structures that set conditions on action”. The role of institutions in society is to reduce uncertainty by establishing a stable structure of human interaction and explain how the social world behaves (North, 1990; Lawrence and Shadnam, 2008). In addition, Scott (2005) and Dacin et al. (2002) claim that institution theory places emphasis on processes that guide structures, rules, norms, and routines, as accepted principles of social behaviours.

Institutions are “rules of the game in a society or more formally, are the humanly desired constraints that shape human interaction; reduce uncertainty by providing a structure of everyday life; while organizations are their players, whose role is initiators of institutional change” (North, 1990:4). According to (Scott, 2005:5) organizations are “rationalized systems—sets of roles and associated activities layout to reflect means—ends relationships oriented to the pursuit of specific goals”. Organizations include political bodies (political parties, central and local governments, regulatory agency); economic bodies (unions, businesses, cooperatives), social bodies (churches, mosques, clubs), and educational bodies (schools, universities, vocational training) (North, 1990:5). Such organizations are administered by rules from which CSR practices are implemented (Fredriksson et al., 2013) to suit the demands of stakeholders.

3.2.5.1 Pillars and the Usefulness of Institutional Theory

According to Meyer and Rowan (1977) structures in organizations arise due to rules and regulations that shape the conduct of activities and services and policies and programmes. Depending on the circumstances surrounding the organization; the three structures (pillars) of an institutional framework can be adopted: regulative, normative, and cultural-cognitive

(DiMaggio and Powell, 1983; Powell, 2007). The structures describe how organizations align to provide stability and meaning to the actors in their social environment (Scott, 1995).

The regulative pillar concerns processes to “establish rules, monitoring and sanctions-rewards or punishments in an attempt to influence future behaviour through diffuse, informal mechanisms, by shaming or shunning activities, or they may be highly formalized and assigned to specific actors, such as the police or the courts” (Scott, 1995:35). North (1990) contends that institutions have formal (written) and informal (unwritten) rules and regulations (code of conduct) that have to be conformed to. Formal and informal rules complement each other in shaping the organization; formal rules take a form of judiciary, executive and legislative systems (North, 1993). Thus, institutions will be tailored to follow the rules so as to be accepted by society (Powell, 2007). In the normative pillar, “emphasis is placed on rules that introduce prescriptive, evaluative, and obligatory dimensions into social life” (Scott, 1995:37). While, values are conceptions that are preferred or the desirable standards that can be compared and accessed, while norms specify how things should be done; to pursue value ends (Scott, 1995).

Finally, Scott (2008:57) states that “cultural-cognitive branch emphasizes the shared concepts, and it constitutes the nature of social reality through which meaning is made”. The cognitive branch highlights the shared perception in societies that lie beneath the truth of what culture considers as acceptable norms of behaviour (Scott, 2008). Meyer and Rowan (1997) state that organizations that successfully align with one of the institutional structures can benefit by increasing their legitimacy, their survival prospects, and competitive advantage over others. However, some institutions contain different combinations of elements, and managers will determine which factors are peculiar to their contexts (Powell, 2007).

Institutional theory has been used in many disciplines with a variety of methodological and epistemological approaches (Lawrence and Shadnam, 2008). Fredriksson et al. (2013) argues that it offers a means, techniques and methodologies that are necessary in cultivating interaction between organizations and society. According to Deegan and Unerman (2011:371) institutional theory “provides a complementary, and partially overlapping

perspective to both legitimacy theory and stakeholder theory and it explains why managers are subjected to pressures to change, or adapt, certain voluntary corporate practices”. Thus, CSR practices can be analysed as an institutionalized formal structure within social environments with prevailing rules and norms (Fredriksson et al., 2013).

3.2.5.2 Previous Studies in Developing Countries

Several studies have been undertaken in developing countries looking at institutional theory. In Turkey, a study by Kisku (2007) evaluated corporate activities conducted to preserve the environment in terms of CSR using websites, newspapers and periodicals. The findings indicate that environmental practices are influenced by obligatory regulations from the institutional forces rather than being voluntary. Mezher et al. (2002) surveyed financial institutions in sustainable development in Lebanon and found less commitment to environmental issues as few companies had adopted the international environmental code of conduct. Furthermore, Sobhani et al. (2009) assessed the level of CSR practices of listed companies in Bangladesh, where companies have improved disclosures in comparison to 10 years ago. Trullen and Stevenson (2006) reveal that firms respond to institutional and media pressures related to social scandals in Uganda and the Ivory Coast. Finally, Sjoström and Welford (2009) found an ineffective institutional atmosphere for social and environmental justice in Hong Kong.

3.3 Theory Informing the Current Research

This study is conducted using the neo-institutional theory in which the research questions leading to MNEs and local companies practising CSR are answered in accordance with the conceptual framework which relates the questions and coercive pressures (Figure 3.1 below).

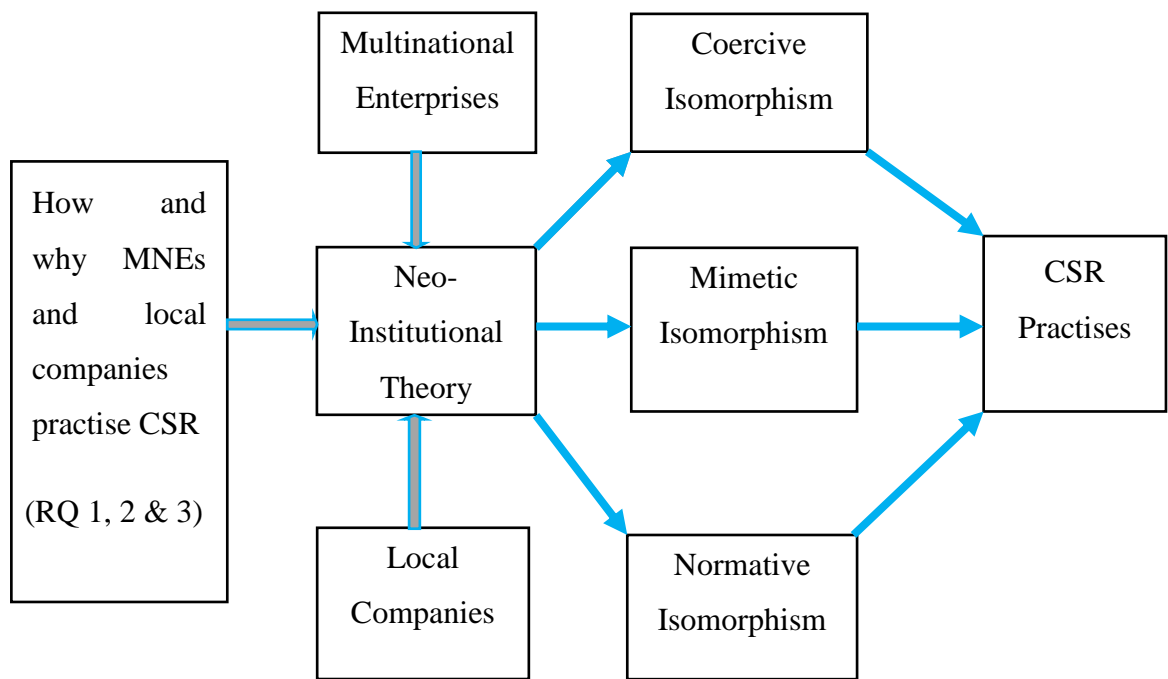


Figure 3.1 Conceptual Framework of Neo-Institutional Theory and Research Questions

The conceptual framework was adopted to investigate three research questions in light of neo-institutional theory. The framework provided a guidance in formulating and asking questions to participants that were directed to establishing CSR practises of MNEs and local companies by reflecting the three isomorphic pressures (coercive, mimetic and normative) which leads to the adoption and practises of CSR in Tanzania. The questions asked to participants were on the what, how and why companies elect to participate in CSR practises and they were directed to the motivational factors and the roles of institutions emanating from external and local environments in which MNEs and local companies operate. The coercive, mimetic and normative pressures leading to adoption and the practise of CSR were then established hence making a complete flow of the framework ending with CSR practices. The motivations and institutional roles that lead the companies to practise CSR then establishes which element of isomorphic pressures is (are) particularly relevant in the context of Tanzania and are indicated in chapter 8 under figure 8.1.

3.3.1 Neo-Institutional Theory

The neo-institutional (also known as new institutional) theory flourished in the 1970s, and was accompanied by a need to respond to increased organizational performance and the corresponding relations existing in the environment (Mizruchi and Fein, 1999; Tingling and Parent, 2002). This period (1970-1980) is one of the most important in CSR history, which witnessed many prominent researchers such as Davis (1973) and Carroll (1979) contribute hugely to the definition of CSR and demonstrate why it was worth doing by businesses and individuals. The neo-institutional theory has evolved from institutional theory, the former being referred to by Selznick (1996) as ‘New’ and the latter as ‘Old’ institutional theory. A distinguishing aspect of the neo-institutional theory is that organizations are structured by phenomenon in their institutional environment and gradually become isomorphic with them (Meyer and Rowan, 1977). While they share other attributes, the neo-institutional theory builds on the isomorphic pressures emanating from internal and external factors while the ‘Old’ institutional theory concentrates on conflicting interests and values, power and influence of surrounding communities (Selznick, 1996).

The history of the neo-institutional theory is accompanied by contributions from proponent theorists such as Meyer and Rowan (1977) and DiMaggio and Powell (1983). Meyer and Rowan (1977) published a cutting-edge article on *“Institutionalized organizations: Formal structure as myth and ceremony”*. In this article, Meyer and Rowan (1977) emphasize that formalized structures that become isomorphic lead the organization to strengthen and gain legitimacy, resource availability, and long-term survival. On the other hand, DiMaggio and Powell (1983) were interested as to why organizations do differ in many respects, but in many ways they are so similar and resemble each other. In describing how organizations resemble or become homogenized, DiMaggio and Powell (1983) suggested two categories of isomorphism: the competitive and institutional isomorphism; which are derived from two origins (Oliver, 1988; Rosenzweig and Nohria, 1994; Tingling and Parent, 2002; Popielarz and Neal, 2007). Isomorphism refers to “the constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions” (DiMaggio and Powell, 1983:149).

The difference between the competing and institutional isomorphism as developed by pioneers has been discussed extensively (see for example Oliver, 1988; Haveman, 1993; Rosenzweig and Nohria, 1994; Radaelli, 2000; Tingling and Parent, 2002; Popielarz and Neal, 2007). The competitive isomorphism stems from the human/population ecology theorists and operates at the level of selection (Hannan and Freeman, 1977; Tingling and Parent, 2002). According to Hannan and Freeman (1977) the diversity of organizational forms reflects the diversity of environments. Oliver (1988) and Popielarz and Neal (2007) contend that on any given set of organizations operating in the same environment sharing the same set of structures and practices, their success depends on their competition in that environment. The competitive isomorphism depends on the influence of external environments; the assumptions being, the environments are accurately predicted and will produce the same organizational forms and results (Oliver, 1988).

On the other hand, institutionalization theorists such as Meyer and Rowan (1977), DiMaggio and Powell (1983) have emphasized isomorphism in the lens of institutions. The institutional theorists argue that, homogeneity is induced by institutional interconnections rather than competitive forces alone (Oliver, 1988). Frumkin and Galaskiewicz (2004) view institutional isomorphism as considering the competition of the surrounding environments as well as the internal interconnections existing between organizations.

3.3.1.1 Three Sources of Isomorphism in the Neo-Institutional Theory

An isomorphism is a condition that leads companies to conform to similar practices across the industry or area in which they operate to resemble each other (DiMaggio and Powell, 1983; Dacin, 1997). From an institutional isomorphism point of view; DiMaggio and Powell (1983) distinguishes three forms of isomorphism: coercive, mimetic and normative.

3.3.1.1.1 Coercive Isomorphism

Coercive isomorphism is categorized into formal and informal, and external and internal sources. According to DiMaggio and Powell (1983:150), “coercive isomorphism occurs due to both influences of formal and informal pressures exerted on organizations by other

organizations upon which they are depended and by cultural and political expectations in the society within which organizations functions''. North (1990) refers to formal pressure as written and informal pressure as unwritten rules and regulations that organizations comply with. Formal rules can include one or more government laws, the judiciary, executive and legislative systems (North, 1993). Coercion also occurs due to pressures from parent company directives and the pressure to conform to the new local environment (Tempel et al., 2006). Furthermore, an isomorphism is derived from NGOs, community activism, industry characteristics and customers, suppliers and funding organizations (van Tuijl, 1999); Radaelli, 2000; Christmann, 2004; Guay et al., 2004).

Government of Host Country

Government of a host country refers to the country in which the MNEs have invested and reside. Practices of CSR by MNEs can result from pressure from the host country government and its agencies (Guay et al., 2004; Beddewela and Herzig, 2013). Governments have wider legal and administrative mandates in areas of public security, provision of social services, law making and enforcement, rules and regulations, standing orders and memoranda at central or local levels. Businesses and companies are required to abide to some or all of these conditions. Meyer and Rowan (1977) contend that organizations follow the government's legal and judiciary systems which make and interpret laws, and other administrative branches such as local governments and agencies that establish rules of practices. Therefore, the government and its administrative branches take actions and introduce interventions that are constantly followed by different organizations MNEs or local counterparts (Frumkin and Galaskiewicz, 2004). The existence of the common legal environment affects many aspects of organizational behaviour and structure.

Mostly, CSR practices are voluntary but, Bartle and Vaas (2007) argue that government regulations are still part of the process to oversee and control them through rules and regulations. Tempel et al. (2006) argue that to operate abroad MNEs face dual pressures emanating from different perspectives: the pressures to abide to parent company regulations and the pressure to conform to the new local environment of a foreign country. From this point of view, the MNEs subsidiaries are confronted with the disadvantage of being

unfamiliar with new environmental conditions that arise because of the new cultural setting and political, economic and development differences with the home market (Zaheer, 1995). Therefore, MNEs have to position themselves strategically to accommodate challenges that are obvious in foreign markets if they wish to achieve the benefits of investing abroad. Consequently, the MNEs have to maintain internal and external legitimacy in an effort to align the new cultural backgrounds and government regulations (Kostova and Zaheer, 1999; Palazzo and Scherer, 2006).

Parent Companies

Another source of coercive isomorphism comes from the influence of parent companies. Parent companies impose conditions which should be considered by subsidiaries in two ways. First, the parent company might be a supplier of resources on which the subsidiary is dependent such as: information technology, financial resources (capital), and human resources (expertise) (Kostova and Roth, 2002). The higher the dependence of MNEs to its parent company, the stronger will be the influence of the parent company of its subsidiaries and vice versa (Rosenzweig and Nohria, 1994). Secondly, even if the subsidiary may not be totally dependent on the parent company, other aspects may be dictated by headquarters such as progress reports on financial investment and management performance while abroad. It is important to understand that whatever the subsidiary is trying to achieve overseas is meant to be formulated by the parent company or headquarters even though indirectly (Kostova and Roth, 2002). Therefore, a subsidiary company has to conform to the directions of the parent company in order to have harmonious relations to avoid conflicts of interest. Thus, complying is being conceived by subsidiaries as abiding to pressures imposed by the parent company's requirements. Newell and Muro (2006) argue that MNEs are among the key drivers of CSR and are often responsive to their home countries and receptive to shareholders and activists' pressures from overseas.

Pressures from NGOs

NGOs are another coercive pressure exerted on corporations. Guay et al. (2004) see NGOs as voluntary organizations who undertake tasks with a common objective at local, national

or international levels without any motivation for profit. NGOs are established outside of the government domain and they are not controlled by a public body, which gives them the freedom to seek feedback and give suggestions from and to civil society (vanTuijl, 1999). With their influence and by following their suggestions; NGOs become part of the pressure bodies to enforce homogenizations. Van Tuijl (1999) categorized NGOs into operational and advocacy groups. According to van Tuijl (1999:499); “operational NGOs provide social services such as education, health, clean water, or disaster relief, whereas advocacy NGOs are those working primarily in the corridors of power, lobby governments and international organizations”. Another categorization may be based on the level of operations such as international, national, local and community based. Guay et al. (2004) indicates that NGOs have the ability to influence organizations and institutional investors by giving them information.

Although NGOs differ in complexity, coverage, size and geographical boundaries, they are useful engines to pressurise companies to adopt certain practices such as CSR. NGOs serve as advocacy groups in communities to enforce institutions to engage in acceptable behaviours (Guay et al., 2004). Additionally, NGOs expose people with bad intentions in international organizations and via media coverage, in the boardroom of MNEs and in courts of laws (van Tuijl, 1999; Guay et al., 2004). Through the work of NGOs, multinational products and services that do not achieve the correct standards have come under huge criticism in the fight for decent labour, working conditions, environmental and human rights (Palazzo and Scherer, 2006). These multinational and local companies who are in fear of losing legitimacy are constantly relinquishing to NGO pressures to avoid their influence on other stakeholders to sanction their operations.

Industry and other Pressure Groups

The type of industry in which MNEs or local counterparts operate is another source of coercion. Each industry exhibits its core activities embedded in the industry codes and norms that are complied with other members in the sector. In each industry, firms tend to be pressurised by stakeholders in order to conduct themselves within accepted social norms while carrying out their activities (DiMaggio and Powell, 1983). Associations found in

industries in which companies operate have tended to formulate norms that member organizations are to comply with. Therefore, industrial associations in which the company operates is another thrust towards isomorphism (Christmann, 2004). Noncompliance would attract punishment and or fines being imposed upon companies. For example, companies operating in the extractive industry have to conform to environmental standards.

Radaelli (2000) and Christmann (2004) describe that this category of coercion may also result from an organization depending on key suppliers and customers. Such organizations will tend to adopt what the key customer and supplier of resources dictates. The key supplier may be a company, standard setter' organizations, financial institutions and other funders. Customers have the ability to force companies dependent upon them to comply with the supply of quality goods and services, environmentally friendly logistics and safety issues. According to Christmann (2004) more customers scrutinise MNEs conduct in relation to social and environmental responsibility; that means their actions may affect the operations of subsidiaries overseas. Suppliers of raw material and other local input from the local environment are another motive for a company to conform to similarity (Rosenzweig and Nohria, 1994). Very little of past research in developing countries suggests that CSR appears to be driven from outside forces such as the World Bank (Rahaman et al., 2004), international buyers and parent companies (Belal and Owen, 2007, Belal and Momin, 2009).

3.3.1.1.2 Mimetic Isomorphism

The second type of pressure that leads to homogenization is a mimetic isomorphism (DiMaggio and Powell, 1983). Mimetic isomorphism occurs when organizations mimic or copy other successful companies in the same industry because of uncertainties that cannot align along with their objectives in the environment in which they operate (DiMaggio and Powell, 1983; Hu et al., 2007). According to Beddewela and Herzig (2013) mimetic isomorphism occurs when companies in the same sector or industry follow similar practices to those of peer organizations in fear of legitimate threats and a need to build their competitive advantage. According to Beckert (1996:803), uncertainty is a “character of the situation in which agents cannot anticipate the outcome of a decision and cannot assign probabilities to the outcome. Henisz and Delios (2001) categorises two sets of uncertainties

that MNEs face in new markets as lack of knowledge and policy making challenge. Thus, experiencing uncertainty leads to the inability of organizational managers to make rational judgements regarding the preferred choices for the situations they face and so become cumbersome for them to resolve (Mizruchi and Fein, 1999). In such circumstances where managers' abilities are undermined, mimicking successful and prestigious companies become the alternative of last resort.

Mimetic isomorphism is divided into three categories: the frequency mimetic, trait based mimetic and outcome based mimetic (Haunschild and Miner, 1997). According to Haunschild and Miner (1997:472), states that "in frequency imitation; organizations execute practices previously used by other organizations through copying all common practices. For trait based imitation, organizations use practices previously used by other organizations by copying selectively practices of certain features to suit their objectives. And finally, the outcome based imitation requires that organizations imitate practices that appear to have had good outcomes for other organizations in the past and avoid practices with bad outcomes". However, this classification requires that each organization wishing to imitate others will consider its own circumstances based on the prevailing conditions.

Mimetic processes can also be adopted by organizations of the same size or age, in the same industry and sometimes geographic locations (Hannan and Freeman, 1977; Haveman, 1993; Guler et al., 2002). Imitation of similarly sized organizations happens because of the assumption that organizations copy or imitate others in a group with identical similarities. Organizations of the same size are similar in terms of their structure and strategy; they rely on the same set of environmental resources and face similar constraints (Hannan and Freeman, 1977; Haveman, 1993). However, larger organizations will compete and copy other larger organizations. It is impossible, for small organizations to compete with larger organizations; consequently, they cannot imitate each other. This is because, "organizations interact intensively with others of similar form (or size) operating in the same industry" (Haveman, 1993:597). Furthermore, organizations imitate others that are perceived by organizational decision-makers as successful. However, it is difficult to determine which criteria represent successful organizations. Some diverse criteria have been used to evaluate organizational performance such as higher profitability, long-term survival, quality

leadership, customer satisfaction, effective and efficient production, higher sales margins and personnel turnover (Scott, 1995).

Organizations mimic others to do away with uncertainties in order to minimize risk and act as a cost reduction technique when organizations face problems with unclear and shortcut solutions (Hu et al., 2007). Also, DiMaggio and Powell (1983) view that organizations follow others to achieve legitimacy and survival. According to them uncertainties are due to technology changes and intense competition. Mimicking can be modelled directly or indirectly, intentionally or unintentionally through hiring expert employees from successful firms, and use of consulting services of people and firms (DiMaggio and Powell, 1983). However, Zaheer (1995) is of the opinion that, mimetic isomorphism could be more applicable in places where there exists free markets and unregulated economic competition; a situation very rare to occur.

3.3.1.1.3 Normative Isomorphism

Another source of organizational pressure of change is called normative isomorphism. According to DiMaggio and Powell (1983) normative isomorphism is a result of the influence of professional bodies by imposing standards to be adopted by organizations in the same field. Such bodies may include: accounting, environmental, engineering, and legal among others. Professionalization is “the collective action of members of an occupation to define and improve their working conditions” (DiMaggio and Powell, 1983:152). For example, national accounting organizations have the ability to particularly enforce and lobby governments to pressurize companies to adopt the accounting and auditing standards in a country. Equally, other disciplines and professions have similar ability to enforce not only their professions; but also companies and organizations that work in the same field.

The driving force of normative pressures is the formal education by training institutions and the growth of professional networks or bodies (DiMaggio and Powell, 1983; Slack and Hinings, 1994; Guler, et al., 2002). Universities and tertiary institutions are important for developing staff skills and norms to be adopted and used in their professional services. Employers are looking for professional bodies’ registration, certification and approval as

major criteria for contemporary knowledge in their fields. Meyer and Rowan (1977) view the formal training, seminars, conferences and professionalization practices bring to the environment of shared rules and norms in the field by looking at the similarity between peers. It is believed that members of a professional or occupational body bring shared meanings and interpretations of their disciplines at national and international levels (Guler et al., 2002).

3.3.2 Prior Studies Using Neo-Institutional Theory

The review of literature relating to developing countries for 2000-2014 suggests that few studies have used the neo-institutional theory in Malaysia and Turkey. Amran and Devi (2008) studied MNEs participation in CSR in Malaysia and found the government was the biggest driving force. In Turkey; Ozen and Kuskü (2009) investigated corporate environmental variations and found that the country has characterised weak institutional pressures to enforce companies to practice CSR. The neo-institutional theory has also been used in conjunction with other theories, although very little. In Singapore, Chung and Parker (2010) examined emerging social and environmental disclosure in the hospitality industry in relation to neo-institutional and legitimacy theories. Beddewela and Herzig (2013) examined pressures, barriers or enablers of MNEs subsidiaries to adopt CSR in Sri Lanka and found that normative isomorphism facilitated by accounting and other institutions was the only pressure.

3.3.3 Relevancy of using Neo-Institutional Theory in the Current Study

Neo-institutional theory derived from institutional theory has its origins in interpretive roots (Lawrence and Shadnam, 2008). The current study is relevant since it is designed within the interpretive methodology in which this theory is based. Neo-institutional theory is appropriate in explaining how MNEs behave when operating in foreign contexts. The theory explains why managers are subjected to pressures to change, or adopt certain voluntary corporate practices (Fredriksson et al., 2013). More importantly, this fact addresses and is relevant to the research questions that concern forms of CSR practices, motivations, and the role of institutions in ensuring CSR is undertaken by companies. According to DiMaggio and Powell (1983) organizational isomorphism has important implications for policy making

by the state, government and its agencies and private organizations become inclusive in guiding coordinated and controlled public performance and social development. This study investigates the phenomenon in the light of government, private companies and NGOs as well as community interaction about how CSR behaves in Tanzania.

Indeed, the study wishes to use neo-institutional theory to accommodate both theory and practice. First, the study aims to examine how MNEs and local counterparts can be explained by this theory in the context of a developing country where initially such theory has not been tested. Evidence suggests that, as recent years have witnessed an upsurge of MNEs in the developing and emerging economies, interest in research using neo-institutional theory in developing countries is still to be undertaken (Xu and Shenkar, 2002), and thus there exists a gap in knowledge regarding this theory. Therefore, applying neo-institutional theory will contribute to filling the theoretical gap existing currently. Second, the study wishes to determine how neo-institutional theory can give practical and relevant explanations to what, how and why MNEs have adopted CSR practices in the local environment in which they operate. Neo-institutional theory will bring an understanding of which isomorphic pressure (coercive, mimetic and normative) is/are particularly relevant to companies operating in Tanzania.

Based on the reasons given, neo-institutional is still a very strong theory to explain the relationship between MNEs and local environments in regard to CSR practices in Tanzania. Other theories such as stakeholder, legitimacy, institutional and political economy are also appropriate in CSR studies. However, the biggest disadvantage to them in this study is that they are insufficient to describe the MNEs and local counterparts in terms of being influenced by various institutional and environmental pressures for becoming isomorphic. For example, legitimacy theory lacks the ability to stand alone in various studies, it is not correct to treat legitimacy theory separately as it overlaps with other theories (Gray et al., 1995), and is often used in conjunction with other theories such as stakeholder and institutional theories (Deegan, 2006). Institutional theory is also valid, but neo-institutional theory is appropriate since it is wider and inclusive of the external and internal organizational environment with its isomorphic forces (Alam, 2006). Institutional theory is concerned with issues of alliance and competition within organizations (Burns and Scapens, 2000). Finally,

stakeholder theory is also complimented by the neo-institutional theory in this study which determines an organization's tactics to cope with the environment, whereas stakeholder theory alone emphasizes types of stakeholders and their priority issues (Alam, 2006).

3.4 Summary of the Chapter

This chapter discusses theoretical perspectives that have been mostly used in the study of CSR. A review of selected theories of Stakeholder theory, Legitimacy Theory, Media Agenda Setting Theory, Political Economy Theory, Institutional theory and Neo-Institutional theory is presented and discussed in length. The characteristics and features of each theory have been substantiated. The discussion in the chapter has demonstrated that neo-institutional theory is found to be more relevant in guiding a study of CSR practices in Tanzania. Using this theory, the study will demonstrate the existence of MNEs and their local counterparts and how they align themselves within the coercive, mimetic and normative pressures to fit or not in the context of Tanzania.

CHAPTER 4

RESEARCH DESIGN

4.1 Introduction

The two previous chapters (2 and 3) reviewed the literature, established the existing gap in knowledge and discussed prior theories selecting the theory appropriate for this study. This chapter builds on the previous chapters which directed the methodology and methods appropriately to address the research questions. The current chapter details the research methodology and methods of data collection and how the study was conducted to achieve its objectives.

The chapter is structured as follows. The next section discusses the research methodology adopted. Section 4.3 and 4.4 discusses the approaches to ontology and epistemology and research methods, respectively. This is followed by the justification of the choice of SSI and FGD methods in section 4.5 and the context of the study in section 4.6. Sections 4.7 and 4.8 detail the sampling procedures and justification of selected sectors and participants. Section 4.9 contains the nature, timing, and finalising of SSI and FGD, while 4.10 relates to analysis of the documents. Section 4.11 contains the transcription and analysis of the data. Sections 4.12 and 4.13 cover the ethics procedures and reliability and validity issues, respectively. Thereafter, section 4.14 describes the personal and general perceptions of data collection. Sections 4.15 and 4.16 outline the limitations of data collection and a summary of the chapter, respectively.

4.2 Research Methodology

The research methodology is an essential component of any research as it explicitly guides how the research is conducted. According to Bryman (1984) methodology contains philosophical stances that a researcher wishes to follow and the methods of data collection. Teddlie and Tashakkori (2009:21) define research methodology as, “a broad approach to scientific inquiry specifying how research questions should be asked and answered. This

includes world view considerations, general preferences for designs, sampling logic, data collection and analytical strategies, and the criteria for assessing and improving quality”. Accordingly, O’Leary (2014:89), states, “methodologies are crucial to the research processes for the production of knowledge and they show the outside world that we are not just random people with an opinion, but we are researchers who are engaged in a rigorous process, and that we have grappled with the responsibilities and controversies associated with knowledge production”. It is imperative that, any research that has no clear assumptions regarding world view and adhering to particular methods to collect data might not provide useful results.

4.2.1 Multiple Case Study Design

Research design is about “all the issues involved in planning and executing a research project from identifying the problem to the reporting and publishing the results. It is a basic plan of a piece of research which includes strategy, the question of what will be studied and the tools and procedures to be used for collecting and analysing empirical materials” (Punch, 2014:114). This study is guided by multiple case study design (Yin, 2003; 2012). The multiple case study is “an in-depth exploration from multiple perspectives of the complexity and uniqueness of a particular project, policy, institution, programme or system in a real life context” (Simons, 2009:21). A case can take various dimensions such as individual persons, groups, households, organizations, community and/or nations (Yang, 2010).

The case study approach has evolved and been used since the 1900s in anthropology, law and medicine, social work, history and psychology by the Chicago School of sociologists who conducted anthropological studies on the university’s surrounding society (Johansson, 2003; Creswell et al., 2007; Simons, 2009). Recently, social science disciplines such as community planning, economics, environmental studies, education and business studies (including accounting and finance), in which this research is located, subscribe to a multiple case study approach (Yin, 2003; Johansson, 2003; Berg and Lune, 2012).

The multi-case study design investigates using multi-methods to compare the chosen cases leading to an in-depth understanding of the subjective meanings by interacting with

participants about their experiences (Simons, 2009; Berg and Lune, 2012; Punch, 2014) about the CSR phenomenon in Tanzania. This understanding is derived from the interaction with participants from companies, government and its agencies, NGOs and the local communities who elaborated on their perceptions, motivations and influence of CSR. More than two cases (Yin, 2003) were used to avoid the potential weakness of just looking at a single case. The cases are each organization (company) and community (Yin, 2003; Yang, 2010; Bryman, 2016) purposely selected from mining, oil and gas, manufacturing, pharmaceuticals, banking and financial services, telecommunications, government, government agencies and NGOs. Then the individual cases were compared to others (Punch, 2014) to explore the practices, motives and perceptions of CSR in Tanzania. The same type of questions were used in the sample participant organizations and groups (Ghauri and Gronhaug, 2005). Many cases are important as this study established the similarities of the reasons behind companies' participation in CSR (Ng and Coakes, 2014) as predicted by the neo-institutional theory (DiMaggio and Powell, 1983). One of the attributes of case study design is to test the relevancy of theories in guiding the study (Ghauri and Granhaug, 2005; Easterby-Smith et al., 2012) such as the neo institutional theory.

This study follows Yin's (2003:1) case study approach for "when the intention is to explore the contemporary phenomenon". Literature informs that little is known about how companies impact societies and other stakeholders in most of the developing countries (Blowfield and Frynas, 2005) including Tanzania. The approach is also useful in exploratory investigation studies such as this; where the phenomenon is relatively new and/or not enough studies have been conducted to understand what, how and why certain practices such as CSR practices occur (Merchant and Van der Stede, 2006; Collis and Hussey, 2014). There is a lack of studies on CSR practices in Tanzania (see Egels, 2005; Masoud et al., 2007; Emel et al. 2012; Lauwo and Otusanya, 2014), despite the presence of companies in a burgeoning economy due to mining, oil and gas, manufacturing, banking and pharmaceutical sectors, among others (TIC, 2012; BOT, 2013; WB, 2014; TIC, 2015). To understand how and why companies are interested in CSR activities in the context of Tanzania, the participating companies who have CSR programmes and those who do not (government, NGOs, and communities) were used with respect to a multi-method approach (Campbell and Ahrens, 1998). The research questions explored the verbal explanations of different individuals and

group participants about the experiences and perceptions of CSR phenomena from the participants' own views in the areas in which they work and live (Kumar, 2014). The multiple cases of corporations, government and its agencies, NGOs and community members, were examined to understand the similarities and differences between individual organizations (Yin, 2003; Baxter and Jack; 2008; Hesse-Biber and Leavy, 2011) and how and why they practice CSR. According to Parker (2008:910) when researching the organizational industry, professional, business and government practice and policy, "we need to address our own tendency to limit our scope of the investigation and critique of what is, rather than addressing what could be or should be". The multi case study methodology is oriented towards finding the actual practise of certain activities in a given context (Weathington et al., 2012).

Using a multi-case study approach benefited the current research in various ways. First, the responses from individual cases were compared to broaden the understanding and experiences of the complex programmes, activities and policies and enhanced the interpretation regarding the socioeconomic and political settings in which activities and programmes are undertaken (Simons, 2009; Fawcett and Pockett, 2015) in CSR practices. Second, combining individual cases provided robust findings relevant to the phenomenon under investigation due to replication of individual insights in differing levels of engagement in CSR (Yin, 2003). The multiple case study approach uses multiple sources of information such as semi-structured interviews (SSI), focus group discussions (FGD) with community members and documentary review of government publications (Campbell and Ahrens, 1998; Yin, 2003, 2012; Berg and Lune, 2012). Again, the multiple case study is oriented into interpretivist epistemology which is more interested in a rich and broad picture of the life and behaviour in organizations and/or community groups regarding the insights into the meanings, understanding and interpretations (Mason, 2002; Easterby-Smith et al., 2012; Fawcett and Pockett, 2015) of the contributions provided by the corporate bodies, government, agencies and NGO managers regarding CSR practices.

4.2.2 Philosophical Assumptions and their Approaches

The intention of understanding methodology in light of philosophical assumption is stated by Hesse-Biber and Leavy (2011:38) thus, “methodology is a bridge between our philosophical standpoint (ontology and epistemology) and methods, it is related to how we carry out our research”. Philosophy means the use of abstract ideas and beliefs that inform our research (Creswell, 2013:16). In order for this research to be accomplished the issues regarding beliefs and meanings perceived about the conduct of research were clearly highlighted through the choice of such philosophical assumptions of ontology and epistemology. The researchers’ awareness of philosophical assumptions leads to the justification of methodology and methods relied upon in the study results and conclusion (Walliman, 2005). The ontological and epistemological views are discussed to address issues of methodology and methods.

Ontology, “refers to our views as to what constitutes the social world and how we can go about studying it” (Barbour, 2014:35). Fundamentally, ontological assumptions deal with “the study of what exists, and how things that exist are understood and categorized” (O’Leary, 2014:5). As a matter of fact, any researcher undertaking a study has to agree with what is meant about the nature of reality, and how the same helps to investigate the phenomenon in the study. Therefore, it is one of the first things to bear in mind when undertaking research and understand the views on how reality is understood so that the study is oriented in that belief. Many forms of what constitute reality differ depending on the nature of the research being adopted and are explained under three categories: quantitative (positivism), qualitative (interpretivist) and mixed methods (pragmatism or the middle range) as explained in the next section. Positivism, interpretivism and pragmatism are also referred to as paradigms.

The second philosophical assumption to help understand the methodology and methods is epistemology. Epistemology refers to the ways that humans create their knowledge about the social world and involves philosophical debates about the basis on which we can claim to have knowledge of social reality (Denscombe, 2010). Good research is research that describes how the epistemological assumptions are perceived and applied in the research

process. According to Mason (2002:16) epistemology refers “to theories of knowledge; how we come to know the world; and our ideas about the nature of evidence and knowledge. This concerns the principles and rules by which you decide whether and how social phenomena can be known, and how knowledge can be demonstrated”. The main question addressed by epistemology is “what are the rules of discovering what exists” (O’Leary, 2010).

What encompasses epistemology derives from what ontology is (Corbetta, 2003). In other words, the meaning attached to a reality of existence is determined by the nature of reality itself. And thus, knowing about a reality ranges from various methods of research adopted; and can therefore include those related to science or ‘natural laws’, those derived from ‘cause and effect’ relationship, ‘generalization’, and non-generalization (Corbetta, 2003). Krauss (2005:759) states that, “epistemology poses the following questions: what is the relationship between the knower and what is known? How do we know what we know? What counts as knowledge”? The questions raised by Krauss are meant to explain the ways researchers position themselves while investigating a phenomenon and discover or make conclusions based on their findings. Epistemological assumptions also differ depending on the type of study undertaken whether quantitative (positivism), qualitative (interpretivism) and or mixed methods (pragmatism/ the middle range) as explained in the next section.

4.3 Approaches to Ontology and Epistemology

The common worldviews that are followed in research as approaches to ontology and epistemology are categorized into positivism (quantitative), interpretivism (qualitative) and pragmatism (mixed methods or middle range).

4.3.1 Positivism (Quantitative) Approach

Positivism is “the study of social reality utilizing the conceptual framework, the techniques of observation and measurements, the instrumental of mathematical analysis, and the procedures of inferences of the natural science” (Corbetta, 2003:13). Historically, positivism dates back to the beginning of the 19th century as used by early philosophers such as August Comte who is regarded as the pioneer of positivism (Corbetta, 2003). Later, the

positivism approach was reformulated in the 20th century to accommodate the limitations contained in the original version (Corbetta, 2003). The worldview of reality (ontology) by positivists (quantitative) is that there is only one reality out there and can only be discovered in the act of investigating it. According to Corbetta (2003:12) the idea of reality in positivism, “is a real and objective world endowed with an autonomous existence outside the human mind and independent from the interpretation given to it by the subject”. Therefore, the thing being investigated or researched exists in isolation and is detached from the researcher (Bryman and Bell, 2015). The positivism concept is rooted in the theoretical frameworks of science from which natural laws are applied (Wardlow, 1989). Therefore, by being a positivist oriented researcher one has to take into consideration the beliefs that are rooted in the techniques of observations and experimentations as well as statistical analysis to draw valid conclusion from the observed and mathematically computed findings.

Another ontological assumption of positivism is that the research is normally statistically generalizable of the findings. According to Hoijer (2008) statistical generalizations explain how disparity behaves given a level of sampling unit and the resulting percentage or the size of the occurrence. This size of occurrence implies that the greater the size the more is true of the generalization. Also positivists’ belief in the independence of the researcher and the object being researched. Wardlow (1989:4) states that, “positivism requires a view of reality which includes a system of distinct and analytical and separable factors which can be studied independently”. The independence characteristic regarded in positivism or reality of existence remains constant regardless of the researcher knowledge about its availability or not (Smith, 1983). Furthermore, the study of reality using a particular method is assumed to proceed freely, and the phenomenon under study is, however, not in any way affected by the thing being studied (Smith, 1983).

In understanding the knowledge (epistemology) positivists regard knowledge to be objectively attained (Thomas, 2013). Cresswell (2003) argues that this knowledge is perceived as being discovered through a systematic process of observing and measuring the phenomenon that exists ‘out there’. According to Cresswell (2003) any quantitative study is accompanied by establishing and testing theories in order to establish acceptable meanings. The process of attaining knowledge under positivism is based on the two premises of duality

and objectivity. According to Corbetta (2003) the concept of duality is explained as the distinction made between the researcher and the object under investigation which are separable and distinct from each other. This means that the relationship between them is of the observer and the observed; a researcher's role is to observe the result of the investigation in order to make conclusions from the findings. Therefore, the knowledge will be gained accordingly from observing the phenomenon. The second strand relates to the fact that the researcher's study is conducted in an objective manner, meaning that the researcher does not affect or is not affected by the object of the study (Corbetta, 2003).

4.3.2 Interpretivism (Qualitative) Approach

The second way in which ontological and epistemological assumptions can be explained is through the interpretive paradigm. Interpretivism ensued because of the inherent weakness of positivism, which relied upon pure science methods to study social science about people and their perceptions (Crotty, 2003). Its development dates back to the period between the 1970s and 1990s, when many contributions in support of this new paradigm rose to challenge the positivist worldview (Denscombe, 2008). Saunders et al. (2009:116) defines interpretivism as, “a means of understanding the differences between social actors’ advocates that it is necessary for the researcher to understand differences between humans in our role as social actors. We interpret our everyday social roles in accordance with the meaning we give to those roles in accordance with our own set of meanings”. The interpretivist is interested in the issues related to personal perceptions such as those related to personal and managerial views on CSR, ideas, and beliefs that cannot be subjected to mathematical calculations and generalizations (Corbetta, 2003). Therefore, interpretivism is particularly interested in giving interpretations of the meanings specified by participants such as those regarding CSR from managers, government officers, NGOs and community members regarding their understanding of a certain phenomenon. In doing so it provides knowledge on how social research behaves in the world view.

For interpretivist (qualitative) researchers; their ontological point of view becomes numerous forms of realities from their various respondents (Cresswell, 2013). The findings that are obtained in qualitative studies are framed from these multiple realities obtained. The

many forms of realities are apparent because the nature and form of information from which research data is collected are based on many sources such as thematic analysis or documents and interviews, personal verbal explanations; thus providing different experiences depending on the views they express (Cresswell, 2013). Likewise, ontologically, interpretivists argue that reality cannot stand as a truth unless subjected to a person's perceptions. In this regard, Denscombe (2002:18) states, "social reality is full of subjectivity which implies that it is 'constructed and interpreted by people rather than something that exists objectively out there'". From the interpretive point of view, the social world does not have the tangible, material qualities that allow it to be measured, touched or observed in some literal way. It is a social creation, constructed in the minds of people and reinforced through their interactions with each other.

The epistemological view of interpretivists relies on interpretation of the facts they collect in order to understand the meanings attached to them. Thomas (2013:108) asserts that, "we are interested in people and the way they interrelate –what they think and how they form ideas about the world; how their worlds are constructed". We have to look closely at what people are doing by using our own selves, our own knowledge of the world as people". The researcher is involved fully in order to understand the phenomenon from listening and asking questions in a participatory manner from all participant categories to understand the knowledge of a certain phenomenon. Given the involvement in the question and answer process, a researcher establishes the meaning realized from these conversations through interpretations (Thomas, 2013). Krauss (2005) suggests that, in qualitative studies, knowledge is understood by becoming immersed in it and move into the organization being studied and experience what it is like to be part of it. Essentially, interpretations rely on the subjective contributions from different people given their diverse nature of experiences and social and cultural background to learn how they perceive the social world.

4.3.3 Pragmatism Approach

The dichotomy between positivism and intepretivism has resulted in another methodological viewpoint called pragmatism. Pragmatism is another philosophical assumption that is used to understand knowledge (Cresswell, 2003). Walliman (2005) refer

to the pragmatism approach as those aspects of social science which are multitude in nature that can be undertaken by involving both worldviews of positivism and interpretivism. According to Denscombe (2010) using pragmatism gives freedom to researchers to determine the practicability of mixing methods that would ultimately provide appropriate results. The question of what is applicable and doable in a study takes precedence in pragmatism. Saunders and Lewis (2012:107) states in favour of pragmatism that, “although our choice of research methods may be a reflection of our values, in practice, you are far more likely to be guided by what is possible and thus, the most important determinants of the research philosophy you adopt are your research question(s) and objectives”. Therefore, pragmatism sets aside the debate evolving around the two paradigms as counterproductive, it looks at the research question and how to go about answering it (Denscombe, 2010).

Ontology in pragmatism is stated by Denscombe (2010:129) as “the nature of reality is perceived as ‘being ‘out there’ and external to individuals and at the same time the reality can be regarded as something that is socially constructed and ‘in the mind’”. Furthermore, Denscombe (2010) argues that in the epistemological view, pragmatism is concerned that: (a) the appropriate approach to adopt is located in the research question under investigation (b) becoming aware of the phenomenon is dependent upon the results of what is attainable. And; (c) knowledge is regarded as time conscious, it keeps changing and what is known now cannot remain similar the coming days, therefore denying the concept of absolute reality. Pragmatists, in terms of an interpretive stance, argue that it is result oriented depending on the nature of the present situation facing the researcher (Cresswell, 2013).

4.3.4 Philosophical Assumption of the Study-The Interpretivist Paradigm

This study is conducted using an interpretivist approach. The objective of being interpretive is to get work, life or managerial experiences and meanings from different categories of individuals and organizations on CSR practices. Tanzania has experienced less study relating to this, and thus calls for a need to explore more to understand the actors' feelings towards CSR. As opposed to mathematical and statistical generalization, the interpretive approach is concerned with interpretations of the meanings of the cases investigated (Johansson, 2003; Yin, 2012; Berg and Lune, 2012; Flick, 2014). To accomplish this, multi case study research

goes into the “questions of what (identification) and how (explanation) and to the understanding why certain phenomena exists” (Merchant and Van de Stede, 2006:118). The phenomenon and nature of data collection are primarily oriented towards individuals and their life-worlds. Berg and Lune (2012:1) states that, “in the life-worlds, researchers focus on naturally emerging languages and the meanings individuals and groups assign to experience”. Consistent with this explanation, this research is interested in extracting appropriate meanings from the participants' perceptions and experiences on CSR practices, motivations, and institutional influences.

The interpretive approach is appropriate for this study as it provides a wider understanding of a phenomenon from behaviour, perceptions and experiences of the participants' audiences (Hennink et al., 2011). The meaning and interpretation of this study came from two sources, that is (i.e.) the researcher and the participants. Hennink et al. (2011:17) states that, “researchers use their own frame of reference on the issues, which is referred to as understanding; and from the study populations by identifying their perspectives on the research issues, which is referred to as ‘verstehen’”. The adoption of understanding and ‘verstehen’, helped the researcher to establish and gain greater knowledge and understanding of the phenomenon of CSR in the context of Tanzania. Such knowledge and understanding were obtained through interaction with different participants identified as key players to provide various viewpoints in regard to CSR practices and the researcher's ability to understand and conceptualize their contributions. The researcher interacted with managers of corporations, government and agencies, NGO officers and community members with the intention of understanding their experiences in CSR.

The interpretive paradigm is central to the need of the researcher to be located in the middle of the discussions in order to establish and provide interpretations of the meanings of the discussions from participants. Thus, the interpretive paradigm believes that, reality is socially constructed, subjective in nature and has multiple realities; and because of this, the researcher cannot detach from participants' views and suggestions (Collis and Hussey, 2009). The interaction is meant to seek information relevant to address the research question. However, even if qualitative researchers assimilate themselves with what is being

researched, they do so by realizing the ethical values or guidance that provides a thorough procedure to determine the facts and how they are interpreted (Collis and Hussey, 2009).

Based on an interpretive worldview, the study managed to collect relevant information which sought to understand how managers undertake CSR activities, the perceptions of CSR practices by community members and why corporations are motivated to do CSR. Additionally, information about institutional influences to promote the spirit of companies to indulge in CSR was explored. Similarly, the study used government officers, NGOs and community members surrounding the companies and obtained their feelings and expressions on the roles they have in companies when practising CSR. Thus, the interactions of participants about their involvement in CSR provided meaning and interpretation in line with the interpretive paradigm or qualitative studies (Hennink et al., 2011).

4.4 Research Methods

Research methods are, “the techniques or procedures used to gather and analyse data related to some research question or hypothesis” (Crotty, 1998:3). The qualitative research methods of semi-structured interviews (SSI), focus group discussions (FGD) and documentary review were employed in order to fulfil the research objectives using two stages of empirical data and documentary review. The first stage was the semi-structured interviews with the MNEs and local company managers, government and NGOs to determine how they make decisions related to the influence and roles of companies to practice CSR. The rationale behind interviewing managers is to explore what and why companies provide contributions to stakeholders through CSR in Tanzania. The second stage concerned the use of focus group discussions with recipients of CSR contributions. Thus, the interest is to determine the perceptions of the relationship between companies and communities through CSR. The documentary review process was adopted to understand if there are policies, guidelines or laws made by the government of Tanzania in recognizing the processes and procedures of CSR practices.

In practice, qualitative studies are multi-method in nature; as they are oriented to accommodate wider audiences and interpretations of the findings of participants’ experience

(Denzin and Lincoln, 2013). Blumberg et al. (2011:294) states that, “from the methodological viewpoint, a central advantage of qualitative research is the possibility to easily combine various methods”, and in this study, ideally SSI, FGD and documentary review are combined. The aim of combining these methods is to provide solid evidence from the MNEs and local manager's point of view as to what, how and why their companies' practice CSR or not. The combination of methods is one of the attributes of a case study approach. According to Serakan and Bougie (2013:105) multi case study methodology is used “in order to obtain a clear picture of a problem one must examine the real-life situation from various angles and perspectives using multiple methods of data collection” such as SSI, FGD and documentary review in a triangulated manner (Merchant and Van de Stede, 2006).

4.4.1 Semi-Structured Interviews (SSIs)

According to Bryman and Bell (2011:205) SSIs refers to, “a context in which the interviewer has a series of questions that are in the general form of the interview schedule but is able to vary the sequence of questions”. The SSI allows the respondents to interact and elaborate on topics rather than leaving the researcher to determine the contents and responses (Barbour, 2014). In other words, the two way communication between the researcher and interviewee allows a wider perspective of the fact being investigated to be obtained. In the SSI process, the interviewer prepares a list of questions that are based either on a literature search or objectives of the research that focus on key themes to guide the conversation (Saunders and Lewis, 2012). This study used questions in accordance with the gaps in literature and the objectives of the study with close scrutiny of the ensuing themes examined.

The questions were open ended so that they have no conditions or rigidity in order to give the researcher some form of flexibility to ask major questions directly related to the themes, and posing probing questions whenever a need for explanation arises (Gilbert, 2008). Furthermore, the questions used to guide the interview and researcher are expected to be within the interviewees' ability to answer. However, Flick (2014:197) states that, “the interviews look for the rich and detailed information not for yes-or-no, agree-or-disagree responses instead, questions are open ended”. The SSI was carried out to seek additional

elaboration on the points that were not exhaustively covered. There are no incidences where, just 'yes' and 'no' replies were provided by participants.

4.4.2 Focus Group Discussions (FGDs)

Focus group discussions “are a carefully planned series of discussions designed to obtain perceptions and designated areas of interest in a permissive, non-threatening environment. The discussions are relaxed, and often, participants enjoy sharing their ideas and perceptions” (Krueger and Casey, 2015:2). The FGD normally allows interviewees to discuss issues freely together focusing on the topic of interest while being aided by the interviewer (Seale, 2004). As with semi-structured interviews; FGD “have gained popularity and have become the dominant (or even the only) mode of non-numerical data collection in social and health sciences, business and marketing, as well as government and political research” (Richards, 2015:49).

The focus group dates back in market research to the 1920s and gradually became popular and applied in social science studies as a method in the 1940s by Paul Lazarsfeld in the work of the Bureau of Applied Social research from Columbia University (Seale, 2004). This type of interview normally contains six to ten members in a discussion and the topic of interest is introduced by the researcher who also assumes the role of moderator (Corbetta, 2003; Seale, 2004). A convenient place to meet has to be agreed in advance in order to accommodate the group as a whole and structured to take into consideration age, gender and locations.

Focus groups should not be very small or very large. If they are too small some interviewees may intimidate others, and when they are too large they may not provide enough time for each group member to participate in the discussion (Corbertta, 2003). One important factor relating to FGDs is that they are relatively easy, quick and less expensive, and can contain many topics/questions within one interview in comparison to other interview types (Zikmund, 2003). Also, focus groups allow researchers to collect a handful of information from many participants, who have varied characteristics, knowledge and life experiences at one point in time (Quinlan, 2011). The focus group discussions in this study are undertaken with community members living near companies' areas of operations such as those near

mining, oil and gas. The objective of the focus group is to understand how communities have been active in playing a role for companies to practice CSR. Furthermore, focus groups exposed the community perceptions of relationships with companies and the kinds of contributions they receive in the form of CSR from companies.

4.4.3 Documentary Review

The document review is another method used to collect data in this research. According to Matthews and Ross (2010:277) document means “written records about people and things that are generated through the process of living”. Documents may be books, journals, official documents, consultant reports, newspapers and magazines (Rubin, 1983:300). The documents concerned in this study were official documents: government reports and records on CSR. Government reports pay attention to special issues such as those of CSR, in which case they offer a valuable understanding of the administrative processes (Rubin, 1983). The documentary review was concerned with a study of government documents addressing CSR in Tanzania. The study used two documents to highlight how the government of Tanzania is taking initiatives to support and make CSR a recognized activity to help the community around and provide a better life for many recipients. The documents used were government policy publications on mining and the oil and gas sectors of 2010 and 2013, respectively. These policies have clauses that require companies to be aware of social, environmental, philanthropic and legal issues when they undertake their operations, and so companies have to engage in CSR. Thus, in this regard, the documents were meant to verify and clarify the government officers’ policy efforts to document CSR in government publications or documentations (Mason, 2002).

4.5 Choice of the SSIs and FGDs

The overall objective of using SSIs is stated by Matthews and Ross (2010:221) that, “they are most typically associated with the collection of qualitative social data when the researcher is interested in people’s experiences, behaviour and understandings of how and why they experience and understand the social world in this way”. In addition, SSI, “allows researchers to get the inner experiences of the participants to determine how meanings are

formed’’ (Corbin and Strauss, 2008:12). Thus, SSIs were used as they are in line with the research question which intends to discover the perception and understanding of companies’ participation in CSR practices. Furthermore, SSIs were preferred because they are undertaken in a wide variety of situations with normal people, government officers, and company managers (Matthews and Ross, 2010); and they provided rich insights from these actors in CSR.

The use of FGD is supported by Saunders et al. (2016:420) who states that, “interpretivist researchers use focus groups as a means to construct meanings through social interactions and sense making about a topic. The use of focus group relates to the ability to analyse how participants’ interactions and group dynamics leads to the construction of shared meanings’’. The use of interviews and FGD are important, particularly when the research phenomenon is relatively new or has not been previously explored much and they intend to get individual opinions and life experiences of the interviewees (Green, 2000). Usually, qualitative studies such as this are multi-method in nature and are intended to gain a depth of understanding of the phenomenon being investigated (Denzin and Lincoln, 2013). That is, each of the three methods provided important, rich and varied information that enlightened the subjective understanding of the phenomenon. Basing on the research questions the interview and FGD methods were useful to examine the CSR phenomenon from managers, government, NGOs and community members’ experiences. The SSI led to the examination and exploration of the feelings and suggestions from interviewees and it allowed the interviewer to pose additional questions to gain more understanding (Barriball and While, 1994). Saunders and Lewis (2012:378) state that, “semi-structured interview provides you with the opportunity to probe answers, where you want your interviewees to explain, or build on, their responses. This is important if you are adopting an interpretive epistemology, where a concern is to understand the meanings that participants ascribe to various phenomena’’.

Yet, in previous literature, the combination of SSI and FGD demonstrated that they have not fared well in their use to study the CSR phenomenon. The use of these methods combined for participants from companies, government and agencies, NGOs and communities was relevant and complemented the previous studies. Furthermore, the combination of SSI and FGD stems from the fact that the main question is structured to get responses from two

different participants in which two method approaches were essential to provide relevant answers. Coffey and Atkinson (1996) argue that qualitative studies combine a variety of forms such as SSI, FGD and documentary review.

4.6 The Context of the Study

The study was conducted in Tanzania, a country in the African continent which is striving to transform the lives of its people in various ways, but emphasis is placed among other things, on the attraction of investments in the form of MNEs and local companies through a private led economy. To describe the concept of CSR practices firstly it is important to understand the economic conditions and investment environment. The description of the economic status is in congruence with Nam (2011:146) who states that, “the developed-developing discourse suggests that, among other things, a country’s level of economic developments impacts the perceptions and practice of CSR”. The objective of this section is to provide a brief account of development strategies, especially those directed towards the attraction of MNEs and local companies as this is one of the triggers for the practice of CSR.

Tanzania is a poor country and its economic situation continues to improve despite several challenges (UNDP and ESRF; 2015). The country has depended on donor funds to finance recurrent and development projects (Brycesson, 2016), until recently when from 2005 the budget dependence has continuously decreased (WB, 2015). Following independence, the country adopted the Ujamaa-family hood politics, socialism and social reliance through Arusha Declaration and emphasised that the country’s resources be used in the interest of all people and for future generations (Nyerere, 1967; Amani et al., 2004). The Arusha Declaration failed to transform the economy due to lack of enough resources and qualified personnel to offer sound macroeconomic policy analysis and technical advice and so collapsed in 1977 (Mettrick, 1969; Amani et al., 2004). The Arusha Declaration economic system experienced more economic crisis due to lack of commodities triggered by oil shocks and the war with Uganda over a border dispute in the Kagera region, all of which culminated to increase external debts with business in the country falling significantly (Bigsten and Danielson, 1999; Amani et al., 2004; Purdon, 2012). Imports were discouraged while manufacturing and processing factories failed to produce enough essential goods such as

cooking oil, clothes, soap, sugar, and flour; thus, citizens resorted to the use of smuggled commodities which were sold at inflated prices by neighbouring countries (Kaufmann and O'Connell, 1991).

To boost the economy, various macroeconomic reforms have taken place since 1986. Most of the reforms were implemented in consultation with the IMF and the World Bank. The reforms targeted the price adjustments and exchange rate according to market forces, removed sanctions on economic activities and import restrictions were cancelled while state ownership and interference were reckoned (Bigsten and Danielson, 1999; Bekefi, 2006; Nord et al., 2009). The 1996-2004 reforms implemented privatization of public corporations, financial sector and investment climate improvement and governance (Muganda, 2004; URT, 2004; Treichel, 2005). Through Presidential Parastatal Sector Reform Commission (PSRC) established in 1993, 281 public institutions were privatized up to 2003 (URT, 2004). The exchange rate was liberalized along with stabilization of fiscal and monetary policies leading to a decrease in inflation rates (Treichel, 2005). Similarly, the investment centre (TIC) was established in 1997 to promote, coordinate, and facilitate investment matters along with export processing and special economic zones in 2002 and 2006 respectively (ICS, 2014). Likewise, the Mining Act was enacted in 1998 to improve the mining sector and a commercial court was established to facilitate contractual and commercial disputes on investment matters in 1999 (Muganda, 2004; URT, 2004).

In addition, the government established the Banking and Financial Institutions Act (BFIA) to open doors for more private financial and commercial institutions to complement the public dominated sector (URT, 2004). The Bank of Tanzania (BOT) was also mandated with supervisory, regulatory, prudential audit and licensing of both banks and non-banks financial institutions (Muganda, 2004). Currently, there are more than 39 commercial banks and 12 non-bank financial institutions, 222 bureau de changes, 29 insurance companies and 1507 registered savings and community cooperative services (SACCOS) (BOT, 2015; TIRA, 2015, SCCULT, 2015). In addition the Dar es Salaam stock exchange (DSE) market was established in 1996 to enable trade and access to capital (DSE, 2014). The Presidential Commission on Taxation and Expenditure (1989-1991) enabled major tax reforms and the establishment of Tanzania Revenue Authority (TRA) in 1995 followed by the Value Added

Tax (VAT) in 1997 to replace the incapacitated sales tax and stamp duty (URT, 2004; AFDB, 2010). VAT has prompted the expansion of the tax base, increased revenue and promoted exports and eased financial administration and compliance (URT, 2004). Since then; the revenue collected has increased significantly in line with reducing tax hurdles to MNEs and other investors (Bade, 2013).

Currently, Tanzania is a rapidly growing emerging market ranking among the 20 fastest growing economies in the world with a GDP growth rate of 7% over the past 5 years and is predicted by the International Monetary Fund (IMF) and the World Bank to continue to grow for the next decade (TIC, 2014). The private sector led growth through market forces and less state intervention in commercial activities has paved a way for investment of MNEs and local companies. The TIC continues to give incentives of capital deductions, import duty and VAT on their capital or deemed capital goods (TIC, 2014).

Additionally, Tanzania has continued to experience social and economic challenges over the past decades and these have acted as a thrust for major policy and institutional changes. To address the pressing social-economic needs, Tanzania entered into bilateral and multilateral treaties and other investment agreements which have improved economic performance and sustained growth (TIC, 2007). Various measures have been implemented to secure foreign investments are such as privatisation, deregulation, fiscal incentives, investment concessions, low taxes, subsidies, stabilisation clauses and investment guarantees (Mkenda, 2005). This has inevitably increased MNEs in Tanzania, mainly from South Africa, Canada, the UK, Mauritius and Kenya since the 1990s, resulting in the rise of foreign direct investments (FDI) in various economic sectors (TIC, 2012). Although the inflows of FDIs are unsteady, they are on the rise comparatively and economic growth achievements are triggered by the rapid increase of fast growing, capital intensive sectors of the telecommunications, financial and banking sectors, extractive sectors, manufacturing, construction, and wholesale and retail trade sectors (TIC, 2012; BOT, 2013; WB, 2014). Other larger contributors to the basket are the primary commodities including gold, coffee, tea, cashew-nuts and cotton (Bade, 2013). Therefore, companies of such relevance to the economy of Tanzania are worth studying to determine how they realign their strategies to take on CSR practices in the country.

Although there seem to be good economic prospects, many citizens in Tanzania are still poor due to the rising population (Muganda, 2004; Treichel, 2005; Nord et al., 2009; WB, 2015). Low productivity in the agricultural sector, which employs more than two-thirds of the country's workforce to support their livelihood, is another problem (Charle and Dhliwayo, 2015). As a result, the majority of Tanzanians still lives under less than £1.25 a day and thus fail to get their daily necessities (UNDP, 2010; WB, 2015). This leads to a situation where many Tanzanians cannot afford some essential elements of individual, family and community levels (Nord et al., 2009; WB, 2015). At an individual and family level, the problem is how to raise income for food, health, education, water, shelter and clothing. At community level, people cannot afford community contributions to build important infrastructures such as health and education facilities. This is partly caused by the government's lack of financial ability to provide these services in which case citizens are required to contribute. To help bring the community members to their normal social status, companies contribute to them by way of CSR. This study is oriented to understand how companies participate in CSR at least to help community members and other stakeholders to get support through health, education, economic and other social services.

4.7 Sampling Procedures and Justification of Selected Sectors and Participants

The study applied a purposive sampling procedure to obtain participants from companies, government, NGOs and community members. Purposive sampling allows choosing a case because it illustrates some features or process in which the researcher is interested (Silverman, 2014). According to Bryman and Bell (2015) purposive sampling in qualitative studies are selected to fit the criteria that will allow the research question to be answered. The theoretical and methodological approaches explained above are compatible with the purposive sampling adopted, as opposed to statistical generalization which ignores issues of strategic and policy frameworks as vital managerial decision mechanisms in organizations (Parker, 2008). The purposive sampling procedures adopted are consistent with multiple case study researchers who select participants who provide the best perspectives on the topic of interest instead of employing statistical sampling (Merchant and Van de Stede, 2006). Additionally, Simons (2009) highlights that purposive sampling applies to multi case studies

when the objective is to understand more about the cases and so interviewees should be those who will be able to provide relevant information to answer the research question.

The researcher interacted with managers and learned from their experiences with CSR as it is one of their policy and strategy decisions accomplishments. The interviewees companies were purposefully selected from oil and gas, manufacturing, telecommunications, pharmaceuticals, banks and financial institutions and mining. These sectors are believed to be among the MNEs and local companies which participated in the CSR. Likewise, the choice of these sectors was derived from a literature review which highlights that there are few studies conducted on MNEs and local companies to examine CSR practices in developing countries, and Tanzania in particular (Achda, 2006; Dzansi and Marius, 2009). The cases were carefully selected (Silverman, 2013) and preference was given to companies believed to be environmental and social challenged such as those related to mining, oil and gas. In addition, participants were composed of senior officers of the government, agencies and non-governmental organizations (NGOs) to determine how they are involved in CSR from a regulatory point of view. There was a need to determine how CSR from companies were impacted upon by the influence of regulatory bodies as well as by the third sector. This study benefitted from previous literature which suggested that the government and its agencies, and NGOs have not been considered when determining the extent to which MNEs and local companies' practice are motivated and influenced by these bodies (Albareda et al., 2007; Bartle and Vaas, 2007; Fox et al., 2002; Michael, 2003; Steurer, 2010).

The final sample composed of five (5) categories of participants: companies, government officers, government agencies, NGOs and community members. The companies comprised of oil and gas, mining, manufacturing, telecommunications, banking and financial services. The NGOs comprised of advocacy and operations categories. Community members were obtained from oil and gas and mining rich regions. The oil and gas, mining and manufacturing sectors are socially and environmentally sensitive and thus they are perceived by a wide range of stakeholders as depleting scarce resources (Bell and Rusell, 2002; Peck and Sinding, 2003). Being socially and environmentally sensitive was taken as a guiding factor when determining their participation in CSR due to legitimacy threats against the companies (Dillard et al., 2004; Greenwood et al., 2002). Furthermore, this selection was

supported by a statement from the U.S. Department of State (2015:19) that in Tanzania, “CSR is practiced mainly by large foreign firms in the banking, mining, oil and gas and telecommunications sectors and is generally viewed favourably”.

The telecommunications sector also formed part of the final sample of companies as it has boosted the economy of Tanzania. Five mobile phone operators of Vodacom are headquartered in South Africa, Airtel - an India Bhart company, Zantel - part of Etisalat, Tigo - a subsidiary of Milcom, Halotel - the Vietnamese operator, and the Tanzania Telecommunication Company Limited (TTCL) – operating in Tanzania (TIC, 2015). The telecommunications sector was selected because it is a frontrunner of CSR in the country, evidenced through their established foundations, departments and sections, and thus were expected to have the most explicit CSR programmes (Panayiotou et al., 2009; Sachs et al., 2006). Despite their recent burgeoning telecommunications (internet and mobile telephone services) in both developed and developing countries; the sector has received little attention in terms of studies (Runhaar and Lafferty, 2009). The telecommunications companies are not compared with extractive companies, but they do pose environmental dangers through the installation of antennas, land fill due to paper recharge voucher systems, and the disposal of short lifespan equipment (Runhaar and Lafferty, 2009). Thus, it was important to consider the participation of telecommunication companies in CSR.

Banking and financial services companies are the least environmentally sensitive, but they are particularly leading in terms of participating in CSR (De la Cuesta-Gonzalez et al., 2006). The banking and financial companies have adopted new management approaches on financial sustainability and proactive attention to internal and external stakeholders in CSR (De la Cuesta-Gonzalez et al., 2006). In other developing countries (but not Tanzania), this sector provides community members, supports sports and culture and health and education services, and supports less privileged groups, including women, youth and disabled persons (De la Cuesta-Gonzalez et al., 2006; Khan et al., 2009). With this growing relevancy, it was deemed important to include the banking and financial services in the sample to obtain knowledge on what, how and why banks are interested in CSR.

Company managers were selected by considering those who have decision-making roles concerning CSR. This was intended to reduce the bias of data collection. Therefore, Director of Operations, CSR managers, citizenship managers, research and development managers, marketing managers and sales and development managers were used because they have similar roles as far as CSR is concerned. Despite being under different designations; these managers were involved directly with decision making, and the planning and implementation of CSR matters in their companies. A total of ten managers, including the Director of Operations were interviewed.

The government and the agency participants were intended to bring an understanding of how they have so far recognised and provided institutional roles to support or otherwise the CSR practices. The CSR continues to provide a relief to government budget deficits by complementing projects and services in various forms. With such importance, it was expected that the government would need to strongly encourage more companies' participation in CSR, thus positively impacting on the wellbeing of all citizens. The government and agencies' officers were selected based on the criteria of being responsible for CSR matters among others. The officers selected were directly involved in the day to day supervision of the mining and oil and gas sectors in matters related to CSR guidelines, incentives, dialogues and awareness of investor companies in the country. Furthermore, the study aimed to understand how the government had so far taken efforts to ensure CSR is encouraged to maximize its benefits in various projects and social concerns, and to complement the government's deficits. The government's involvement in CSR has been found to be the reasons for companies' active roles in CSR (Khan et al., 2009; Shauki, 2011; Sobhani et al., 2009). Two government officers with responsibility for minerals and oil and gas were involved in determining the government's efforts in CSR. In addition to the above criteria, these directors had appropriate CSR information and were involved in decision making and supervisory roles in their respective sectors.

Five participants from government agencies were selected and interviewed. These were: Principal Environmental Officer, Senior Environmental Officer, Research Manager and Economist, Research Manager and Public Relationship Manager. The agency officers were also believed to have appropriate knowledge about CSR as they encouraged companies to

undertake CSR once they were registered to start operations. They were selected because of their direct involvement in ensuring set rules and procedures are followed. They had decisions making roles such as imposing punishment, administering fees and fines to violating companies, and encouraging companies to undertake CSR. The use of punishments on irresponsible companies has always led to the threatening of their legitimacy and licence to operate (Gifford et al., 2010; Moffat and Zhang, 2014; O'Donovan, 2002). To avoid legitimacy challenges; companies resort to CSR (Owen and Kemp, 2013).

NGOs were also included in the sample to determine their participation in ensuring that companies become more interested in CSR. NGOs impose both forceful and non-forceful means to ensure company compliance with ethical guidelines (Welford and Frost, 2006). The involvement of NGOs in CSR matters accelerates the speed through which different organizations (companies, communities and political entities) adopt new relationships for CSR (Griesse, 2007). As thus, NGOs are one of the major reasons why MNEs and local companies' decide to play a part in CSR (Koku and Gustaffsson, 2003; Tan, 2009; Mahmood and Humphrey, 2013). Similarly, participants from NGOs were selected in line with their responsibilities for furthering and advancing CSR in terms of the role they play in ensuring companies are ethical and practice CSR. The participants from three NGOs included CSR and Relationship manager, Project Manager and Community Relationship Manager. The fact that the managers were in different departments with different designations is an indication of the fact that CSR is given priority in the same way as other organizational departments, and the designations are created at a company's own discretion, depending on their organizational hierarchies. Panayiotou et al. (2009) found that companies placed CSR responsibilities in separate departments and sections in their organizations under designated CSR departments, public relations departments, and other executive offices.

The last final category of participants composed of community members (beneficiary) from the mining and oil and gas rich regions. The reason for the selection of these two sectors was that; firstly, the sectors are visible and well established to the extent that communities are able to fully describe their participation in comparisons to others. Secondly, community members are able to provide views and realize the aim of the study, especially when the phenomenon is less known (Kumar, 2014) - as is the case with CSR - and when the study is

time bound (Lillis, 1999). Thirdly, companies from these sectors often have misunderstandings and disputes with communities about their operations (Greenwood et al., 2002). The community members' focus groups were used to determine their perceptions of mining and oil and gas companies on CSR. Focus groups were also used to determine the pressures and influences felt towards companies' adoption of CSR practices. In total, four FGDs (two from mining and a further two from oil and gas) were conducted to obtain information relating to perceptions, pressures and the roles on companies' CSR. The FGDs were geographically located in three different regions according to the availability of the natural resources. FGDs composed of community members living in areas in which companies dealing with mining (gold) and oil and gas extraction operate from, and those who were aware of the ethical and social responsibility that companies have towards their local communities.

Furthermore, communities are one of the major influencing factors for companies to practise CSR and are referred to as unofficial watchdogs and criticisers of companies whose practices are unacceptable and unethical (Wu and Davidson, 2011). Companies have been resorting to community demands in fear of their legitimacy which can be jeopardised by looting, vandalism and street demonstrations in defiance of protecting their property and legitimacy (Yang and Rivers, 2009). In total, 36 members (28 men, 8 women) of a community participated in the FGDs. The final sample of all participants is shown in table 4.1 below.

Table 4.1 Economic sectors studied and final sample of participants

S/No	Sector/Government/NGOs	Participant's title	No of participants
1	Oil and Gas	i. Director of Operations	1
		ii. Citizenship Manager	1
2	Mining	Research and Development Manager	1
3	Manufacturing		
	• Cement	CSR Manager	1
	• Pharmaceuticals	Marketing Managers	1
	• Gas processing	Sales and marketing Manager	1
4	Telecommunications	CSR Manager	1
5	Banking and Financial Services	i. Citizenship Manager	1
		ii. Citizenship Manager	1
		iii. Citizenship Manager	1
	SUBTOTAL		10
6	Non-Governmental Organizations (NGOs)	i. CSR & Relationship Manager-NGO 3	1
		ii. Project Manager- NGO 1	1
		iii. Community Relationship Manager-NGO 2	1
	SUBTOTAL		3
7	Government (Ministry)	i. Director – Oil and Gas	1
		ii. Director – Mining	1
	SUBTOTAL		2

8	Government Agencies	i. Principal Environmental Officer- Environmental Agency ii. Senior Environmental Officer- Environmental Agency iii. Manager, Research and Economist- Minerals Audit iv. Manager Research- Investment Agency v. Public Relationship Manager- Investment Agency	1 1 1 1 1
	SUBTOTAL		5
	TOTAL FOR SEMI-STRUCTURED INTERVIEWS		20
9	Focus Group Discussions	i. First Focus Group- Mining ii. Second Focus Group- Mining iii. Third Focus Group- Mining iv. Fourth Focus Group-Oil and Gas	9(2) 9(4) 8(0) 10 (2)
	TOTAL FOR FGDs PARTICIPANTS		36 (8 women)
	TOTAL PARTICIPANTS		56

4.8 Procedures to Collect Data from the Final Sample

The procedures to collect data from the final sample in the multiple cases from organizations and communities in the field involved SSI and FGDs as outlined in the foregoing sections.

4.8.1 Procedures using SSI

The procedure to collect data details the steps used to choose participants, and the actual processes of obtaining information. The collection of data from the intended sample was adopted by following systematic procedures of physically locating participants' offices and providing information about the nature of the research. The official outline to participants' offices was through introduction letters from the University of Anglia Ruskin (ARU) and the researcher's employer. Having completed these important preliminary procedures, the researcher started the real task of undertaking data collection via interviews and FGDs with participants.

The first thing to do once in the interview room or office was for the researcher and interviewee manager to introduce themselves. At this point, the researcher described the purpose of the research as being purely academic for the award of the degree of Doctor of Philosophy (PhD) of ARU in the UK. This description is supported by Gray (2014:391) who states that, "the first task of the interviewer is to explain the purpose of the interview, who the information is for, how the information is going to be handled, why the interview is being collected and how it will be used". This was followed by declaring the ethical and confidentiality issues as well as giving them a consent form to fill in order to ensure informed consent, privacy and to protect them from damage (David and Sutton, 2011). It is generally accepted that properly designed research involves participants who (a) are well informed that they are being studied and (b) they have freely agreed to participate (Flick, 2015).

It is also wise for the researcher to thank the participants for accepting and giving up their time for the interview. Interviewees were happy with this introduction, but remained uncomfortable while waiting for the interview to proceed. The researcher used an interview guide prepared in advance to ask questions in sequence and used probes in order to gain

verbal feedback from interviewees. A tape recorder was also requested before every interview (Olsen, 2012) but the interviewees were sceptical of being tape-recorded. Some of the companies' managers did not accept being tape-recorded and so the interviews were transcribed by the researcher into a notebook. Once the request to record was agreed or not, the researcher started asking questions sequentially to each interviewee and, where applicable, probes were used in order to gain more information.

4.8.1.1 Help Relaxing Atmosphere

To help generate a relaxed environment between the researcher and interviewees (Hesse-Biber and Leavy, 2011); the interviews were carried out in English except for the focus group discussions and one government agency. Initially, the researcher had to ask the interviewees which language they were comfortable with. Tanzania has two official languages, the *Kiswahili* a national and regional language in East and Central Africa; and English. English is also an official language in Tanzania but it is not widely spoken by local people. Sometimes, the interviewees mixed both languages for sometimes it was necessary to explain the meaning of a phenomenon when they seemed to forget some terminology in English.

4.8.1.2 Interviews in Kiswahili

As stated above, Tanzania uses English and *Kiswahili* and some respondents chose to use *Kiswahili* only during interviews. The local language was used to interview the participants from the community to allow them to express their feelings appropriately when responding to the questions raised by the interviewer. The reason behind this is that most of the members in the focus groups could not speak good English. At some points, the interviewees mixed the two languages and this did not cause any inconvenience as the researcher speaks and writes fluently in both languages. Allowing participants to use the language of their choice in the interview is another way of creating a relaxed atmosphere required for full participation (Christians, 2011).

4.8.1.3 Use of Interview Guide

All the interviews were conducted using pre-determined interview guide questions that reflected the research objectives. Patton (2015:439) defines an interview guide as a “list of questions or issues that are to be explored in the course of an interview”. The interview guide or schedule helps the researcher to remain focused and indicates the flow of points to be raised in the interview (Thomas, 2013). Newby (2010:340) states that, “the interview guide is structured to reflect the research questions and collects data on an indicator that can be used to answer the research questions”. The guide was prepared to reflect the subject matter of the research and was formulated in simple and understandable words. This is in line with Gray (2014) who points out that interview questions should be framed clearly and not be ambiguous. However, the interview guide contained different sets of questions to accommodate each type of respondent. One question only was directed to all respondents, while the rest were specifically directed to the targeted audiences.

One important fact about the interview guide is that it remained useful while addressing targeted individuals, although the probes that ensued in the interview process differed across organizations. According to Flick (2014) an interview guide provides a high degree of comparative information from different respondents as a result of using similar questions. Therefore, the researcher read the questions from the interview guide and waited to get answers from the respondents. The interview guide in SSIs acts as a reminder and aid to double-checking all repetitions that might be made, though the researcher should not be rigid in following its sequence of issues or questions (Thomas, 2013). Following the sequence of questions is dependent on the ability of interviewees to provide relevant and sufficient information. In some instances, interviewees would explain in great detail to the extent that no probes were required. In most cases probes were used to prompt gaining more information. In other situations, the interview guide could not follow the sequence due to the nature of the responses provided by participants, although the topic under study was exhaustively covered (Hesse-Biber and Leavy, 2011).

4.8.2 Procedures to collect data from FGD with community members

The procedures in FGD with community members' describe how the members were selected, how the discussions were conducted, the composition and information gathering. The selection of focus group participants was carefully made by having an initial consultation with the Ministry of Energy and Minerals (MEM) of the United Republic of Tanzania (URT). The Ministry has offices in the regions and districts where minerals such as gold, diamonds, tanzanite, coal, zinc, and others are found. The Ministry then introduced the researcher to resident offices in the regions to help identify local areas for FGD. With the permission of the MEM, the researcher travelled to the regions and reported to the resident offices where he was guided to reach various communities in the district councils. The researcher held two FGDs in one region and one in another region, all in the gold mining sector. However, the fourth FGD was conducted with similar procedures in the oil and gas sector.

The FGDs with community members were also convened using an interview guide. Normally, the discussion would start by asking a general question about the relationship existing between community members and investors in their areas in terms of CSR. Subsequently, the researcher would then ask questions according to the guide. The interview guide is also useful in FGDs because the interviewer is able to control the discussions and remain focused on the topic while allowing different personal views on life experiences on the topic to manifest (Patton, 2015). Similarly, the researcher acted as a moderator to return participants who wanted to divert from the topic of discussion.

FGDs were used as they are an appropriate approach as a method on their own (Silverman, 2013; Richards, 2015) or can be combined with other methods to gather rich information from multitude sources (Berg and Lune, 2012). The FGDs were comprised of eight to ten male and female adults aged between 32 and 65 years. According to Fawcett and Pockett (2015) FGDs should ensure the participants' dynamics of age and gender and create a favourable environment for them to feel relaxed in the discussion. The focus group in the mining areas was made up of nine members in total, two of which were women. Another focus group was made up of nine members in total, including four women. The third FGD

in the mining sector contained eight men only. This group initially had ten members, including two women, but the researcher arrived late in the evening and the meeting was postponed and the women could not attend the next day. The final focus group in the oil and gas sector was composed of ten participants; eight men and two women.

The FDG was preceded by an introduction by the village chairman or a ward executive officer (WEO) as well as the researcher. As stated earlier, the researcher started by outlining a brief description of the purpose of the interview – that it was purely academic; requested their consent to participate and highlighted the relevance of ethical, confidential and anonymous information (Flick, 2015). The participants were requested to participate freely in the discussions on their understanding and experience of investor relations. Every member in each focus group was given a chance to contribute; although they were initially shy, as the discussions became live, all members participated. However, some members were more talkative than others and the researcher was responsible for encouraging them to participate (Flick, 2014). Most of the views provided reflected the participants' experiences on the environment, wellbeing, land issues, health, education, entrepreneurship, neighbourhood, sports, laws and human rights. The audio recording was used for FGDs as they had consented to this. It was interesting and participants in the focus groups were very open, relaxed and freely spoke about their experiences. The FGD took place in the local office premises (Ghauri and Gronhaug, 2005) and this was convenient to both researcher and participants.

4.8.3 Procedures to Collect Data from Documents

This study used policy documents as they were intended to uncover how the government have created procedures to document CSR activities in recognising the role it has for the public in relation to social and economic development programs. The researcher chose the published open documents of a public nature with open access as opposed to closed access which would be more difficult to obtain (Scott, 1990). The government policy documents are believed to be open to the public as they are established or enacted and implemented for the benefit of the public. One challenge relating to documentary analysis was where to start in gaining the documentary information since the government has multiple sources of information such as industry, commerce, agriculture, census, financial, legal, economics and

trade (Stewart and Kamins, 1993). Scott (1990) stated that, “the use of the written records as a result of political rules, and formulated and implemented by government policy, are very much a product of the emergence of the modern state”; a state that also takes full acceptance of CSR. Furthermore, using government (policy) data was beneficial because such data has a high degree of credibility as it is from official sources such as the government and parliament (Rubin, 1983).

4.9 Nature, Timing and Winding up of SSIs and FGDs

All SSIs and FGDs were conducted face-to-face, one-to-one and one-to-many respectively (Walliman, 2005). The time taken from one interview to another differed in accordance to participants’ ability to elaborate on the issues and how experienced they were. The average time for each interview was fifty minutes. The average time for FGDs was one hour five minutes. But even if some interviews took longer than others, the same set of questions was exhausted, and the researcher ensured that all probes were also answered appropriately.

At the end of all interviews and having exhausted all questions in the interview guide as well as probes, the interviews were brought to a close. The researcher provided a chance for all interviewees to add to or clarify any other comment(s) related to the study (O’Leary, 2014). Many of the respondents gave their final comments while others felt they discussed everything during the interview and had nothing further to add. Once the audio recorder was turned off the researcher thanked the interviewees for their attendance and giving up their precious time and requested that if he had anything else to ask later that he be allowed into the office. This is in line with Braun and Clarke (2013), Gray (2014) and O’Leary (2014) who state that once the interviews come to an end, the researcher should thank the participants and provide an opportunity to ask, or be asked questions in case there was a need for more clarification or if something was forgotten.

4.10 Analysis of Documents

The selected documents were analysed in a similar way to SSIs and FGDs as suggested by Mason (2002) and Hesse-Biber and Leavy (2011). That is, the selected documents

containing sections related to CSR and/or emphasis of a community's involvement, environmental protection and reduction of harm arising from companies' operations were read, copied and noted, and compared among the three documents. Three government documents were analysed, read and compared to determine which one of them was directly related to CSR. Two of these three documents were found to have provisions on CSR while the one from the investment centre described the motivations behind MNEs and local companies to invest in Tanzania and the incentives provided. Therefore, a data reduction was made and hence the two documents with information on CSR were taken into consideration while the one concerning incentives without mentioning CSR was not used. This was done in accordance with Hesse-Biber and Leavy (2011) who contend that data reduction is about taking relevant information and discarding those that do not have that quality. However, SSIs with managers of the investment agency described the incentives they offer to companies registering in Tanzania to act indirectly in supporting CSR. A comparison of the information directed to CSR was meant to establish similarities and differences as a process of analysing and the results were taken and recorded (Bazeley, 2013). Then, the specific sections were quoted and included in the findings in chapter 6. One document was obtained in hard copy from the interviewee organization after the researcher requested it. As a public document, it was easy to obtain despite the ethical issues still applied and the identity of the individual providing the document was not indicated anywhere in this thesis. As pointed by Mason (2002) the documentary analysis is also considered when it comes to ethical issues because it involves the permission to get them from the officer whose identity needs not be disclosed. The other two documents were obtained online through the government ministry website. Using documents is in line interpretivism views where the intention with such documents is to be read, understood and interpreted in line with their intention and meaning (Mason, 2002).

4.11 Transcription and Analysis of SSIs and FGDs

After all interviews and FGDs were finalized; transcription started a week after returning to ARU. The researcher adopted a "verbatim or orthographic" method of data transcription where the audio recorded word-for-word was written down (Paulus et al., 2014). Whiting (2008) is of the opinion that playing the audio recorder back and forth increases the level of

precision of the words. The transcription did not take into account phonetics or paralinguistic gestures, informal words, sounds, hesitations and other non-word responses as well as interruptions (Braun and Clarke, 2013; Paulus et al., 2014). The reason behind leaving these non-words is the inability to write or connect their exact implications towards the discussion of the interviewees. The choice of word-for-word verbatim transcription was to find out what themes might ensue (Paulus et al., 2014). Creating themes is appropriate by “looking at the themes which are present in the whole set or sub-set of interviews and creates a framework for making comparisons and contrasts between the respondents” (Gomm, 2008:244). The themes that ensue and are related to the current study topic are taken into consideration and compared from SSI and FGD contributions.

Initially literature had brought out several themes relating to CSR practices including; the economic, ethical, environmental, legal, social, volunteerism and other philanthropic activities that are related to practising CSR. Pre-selection of the themes is essential to enable one to remain focused on the study’s aims and objectives. However, the themes may also result from the ideas preconceived by the researcher or they may be obtained from the data collection (Gomm, 2008). This resulted in providing a diverse understanding of companies’ perceptions of the meaning of, motivations for, and influences of institutions and communities on CSR. Other themes used in the study were as follows: perceptions (bad or good), motivations (internal and external), partnerships, collaboration, incentives, influences, benefits, costs or disadvantages, dialogues, roles and directives. More themes included emergencies, long term or short term services, forms of CSR, the most important activities, actions against non-compliance, involvement, previous agreements, and practices. New themes that emerged in the study included: empowerment, CSRE, capacity building and infrastructure.

The transcriptions of what was said (verbatim or orthographic) seemed to be easy initially. But as time went on, it was found to be more and more difficult as the spoken language differed significantly from the written one. Braun and Clarke (2013:162) states, “when we speak, we don’t use punctuations to make ourselves understood. We use pauses and intonations, we vary our speech in pace (faster or slower) volume (louder or quieter), we hesitate when we speak and we stumble over our words, start a word or a phrase and don’t

finish it, and say the same phrase or word several times''. All focus group interviews were in the local language of '*Kiswahili*' which was translated by the researcher into English. The researcher is a fluent speaker, writer and reader of the local language.

Furthermore, transcription was also made from the notes taken for participants who felt uneasy being recorded. The notes were taken with quick writing styles and the use of symbols to keep pace with the respondent's dialogue. The analysis was made from the notes and was re-arranged to depict similarity in the responses raised by each and every respondent's view. The notes were typed into a word document. All transcriptions of audio records and notes were completed by the researcher. This type of transcription helped the researcher to grasp initial familiarization of the information (results) more easily than if transcriptions were completed by hired individuals (Gray, 2014).

All audio recorded interviews and notes were transcribed using a university computer and personal laptop. No information or data was lost in the audio records because they were recorded perfectly to permit listening and transcribing with ease. The audio was played and stopped after a short time interval to enable the written record of what was heard. The transcription was completed individually for each interview record. The recording was done in such a way that each and every interview was given an automatic record number which was then tallied to ensure it was the same for the current interview (Silverman, 2013).

Having transcribed all the recorded information, analysis started shortly afterwards by rearranging the data into a user-friendly format. Qualitative data analysis is about "interpretation and classification of linguistic material with the following aims: to make statements about implicit and explicit dimensions and structure of meaning making in the material and what is represented in it; to arrive at statements that can be generalized in one way or the other by comparing various materials or various texts or several cases'' (Flick, 2014:370). This included matching similar questions and probe questions from different respondents in the appropriate manner.

An important stage after completing the transcription was the familiarization of the data transcribed called coding (Hesse-Biber and Leavy, 2011; Matthews and Ross, 2010). Coding

is “a process of identifying aspects of the data that relate to your research question” (Braun and Clarke, 2013:206). This was undertaken through focused reading of the transcriptions of different participant organizations and those from focus groups, placing all transcribes under similar headings and sub-headings ready for manual qualitative data analysis. The codes were then read again and again and compared with literature review themes addressing CSR practices. There are two main types of qualitative coding of selective and complete coding (Braun and Clarke, 2013). According to these authors, selective coding involves selecting and choosing the ‘instances’ you are interested in and leaving the unwanted ones. The aim was to gather information that corresponds with the criteria set by the researcher. The second category of coding is complete coding in which a researcher is particularly interested with all relevant information obtained to answer the research question. This thesis used complete coding as pre-determined themes were to be looked at in conjunction with other ensuing themes relevant to the topic.

After the analysis of the data, the themes ensuing from SSIs and FGDs were compared and merged together ready for the presentation of the findings (in chapter five and six). The merging of the methods follows Cresswell and Plano Clark’s (2011:67) emphasise that, “all multi-methods should reflect on what was learned by the combination of methods in the final interpretation”. The data analysed depict on the life and managerial experiences obtained from participant managers, government and its agencies, NGOs and community members.

4.12 Ethics Procedure

The process of social research is undertaken by contacting different participants, which require researchers to observe ethical standards to minimize any possible harm during the research or publication of results (Walliman, 2005). Ethics refers to, “principles or rules of behaviour that is actually acceptable or allowed within a profession” (O’Leary, 2014:64). The definition of ethical behaviour within a research study has been contentious, but generally ethics is concerned with ensuring: participants give informed consent; no harm is caused, information is recorded in a confidential and anonymous manner (David and Sutton, 2011; Gray, 2014; O’Leary, 2014). Thus, two objectives are achieved through being ethical. According to Walliman (2005:355), being ethical protects the “values of honesty and

frankness and personal integrity” and it provides responsibility to the “subjects of research to have their consent, and provide confidentiality and courtesy of their information”. The respondents’ dignities as well as the respect of their contributions have to be honoured in the conduct of data collection, storage, writing up as well as publishing the results of the research (Walliman, 2005). The study exercised ethical procedures before the research at the university, in the field and in the dissemination of results.

4.12.1 Ethics Procedure at the University

As a preparation process, the researcher attended ethical trainings organized by the ARU and attempted online ethical examination, which is compulsory (O’Leary, 2014) for all students including PhD candidates. The training and examinations are intended to provide knowledge on ethical approaches to be exercised during data collection and the reporting of results.

In addition, the researcher obtained approval from the Ethics Committee of the university. The ethics committee is “a formal committee established by an organization or institution to monitor ethical issues in research programs” (Oliver, 2010:41). The ethics committee review ensures that the study is of “scientific quality, the welfare of participants are preserved and respect for the dignity and rights of participants” (Flick, 2014:53) are preserved. Therefore, the researcher complied with all ethical application procedures of the Faculty Research Ethics Panel (FREP) of the ARU and obtained an approval according to the Research Ethics Policy of 2014.

4.12.2 Ethics in the Field

Ethics in the field were applied to all participating groups and covered the consent form and informed consent, anonymity and confidentiality of information and ethics in reporting results (David and Sutton, 2011; Gray, 2014; O’Leary, 2014). The researcher sought and obtained consent from the participants to talk about their experiences and perceptions regarding CSR. This is because participants have to be free in making their decisions to take part in the discussions and this freedom should be based on giving them reasonable and complete information regarding the objectives of the research (Christians, 2011). However,

some participants refused to participate in the interview, but these refusals were not due to ethics from the researcher's point of view.

The anonymity and confidentiality of information was also ensured. The participants' actual names and their organizations are pseudonomised in this thesis. The researcher also requested to record the conversation between him and the interviewees: some participants agreed while others disagreed. For those who disagreed, the researcher adopted the note-taking technique (Silverman, 2013). Furthermore, confidentiality of safe storage of information collected was ensured (Gray, 2009) and guided by the Data Protection Act 1998. So the participants' names, contacts and interview transcribes were stored in Word documents on the university's password protected computers. The hard copy, digital recorder and publication collected from the government were stored in ARU lockers. The researcher also disengaged from practices such as deception, fabrication and falsification of information in the process of transcriptions and writing of the thesis (Gray 2009; Sarantakos, 2013).

4.13 Reliability and Validity of the Research

In undertaking studies such as this thesis, it is imperative to consider and describe crucial procedures to yield quality information and authenticity of the findings. The dialogue relating to the quality of any social science study is dependent on two concepts of reliability and validity (Seale, 2012). According to Saunders et al. (2009:156) reliability "refers to the extent to which your data collection techniques or analysis procedures will yield consistent findings". Sarantakos (2013) equates reliability in similar ways as being consistent with the process of data collection, analysis and interpretation. A reliable result is achieved when another study conducted produces similar findings (Collis and Hussey, 2009; Sarantakos, 2013).

Reliability is grouped into internal and external categories. According to Sarantakos (2013:104) internal reliability means "consistency of results within the site, and that data are plausible within the site, while external reliability refers to the consistency and replication of data across all sites". This implies that the researcher's procedures should be consistent

across different participants (Gibbs, 2007) such as those in the interviews and focus groups in all cases studied. It is the norm for reliability to be high for a positivist study, while in qualitative studies, it is always low (Collis and Hussey, 2009). Reliability in qualitative studies is in question when there is interviewer bias and interviewee or response bias (Saunders et al., 2009). Interviewer bias occurs when the questions are not focused and the interviewees do not respond exactly to the question. The interviewees' bias occurs due to reluctance to respond to questions or failure to provide appropriate answers because of fear of exposing sensitive information (Saunders et al., 2009).

On the other hand, validity "is the extent to which the research findings accurately reflect the phenomena under study" (Collis and Hussey, 2009:65). Validity determines the quality of measurement procedures in a given study and it is one of the most celebrated components of research dependent upon by both researcher and users (Sarantakos, 2013). Quantitative studies are less valid than qualitative counterparts (Collis and Hussey, 2009; Flick, 2014). This is because the former pays more attention to the precision of measurement and replication, while the latter concentrates on the phenomenon through comprehensive explanations and the depth and breadth of information (Collis and Hussey, 2009). The objective of qualitative studies such as this is to seek full access to the knowledge and meanings from the participants regarding the phenomenon under investigation (Collis and Hussey, 2009).

Researchers categorise validity into many forms, but the most common are internal (face or content and construct) and external validity (Saunders et al., 2009; Collis and Hussey, 2009; Blumberg et al., 2011). According to Collis and Hussey (2009:65), "the face validity involves ensuring that the tests or measures used by the researcher do actually measure or represent what they are supposed to measure or represent. The construct validity relates to the problem that there are a number of phenomena which are not directly observable, such as motivation, satisfaction, ambition and anxiety". According to Saunders et al. (2009) external validity is concerned with generalization or transferability; that is whether your findings may be equally applicable to further research settings such as other organizations. Researchers need to double-check for accuracy in order to avoid threats to validity. Threats to validity occur due to inaccuracy or incompleteness of the data that leads to a wrong

description about the phenomenon and interpretation on the meaning of what will happen rather than what is occurring or emerging in the field (Robson, 2011). Also, lack of proper research procedures, making errors during data collection, analysis and interpretation threaten the validity (Collis and Hussey, 2009; Robson, 2011).

4.13.1 How Reliability was approached in this Study

Reliability was ensured through various techniques as outlined by Yin (2003) which are built into the detailed procedures in the interviews and FGDs. The procedures adopted in SSI and FGD were similar in all respects from initial interactions with participants to the actual interview processes. The interaction was achieved through the official introduction to participants, declaration of the intent of the study and ethical guidelines, and the observance of anonymity and confidentiality in the dissemination of the findings. Furthermore, consent to interview and audio-record the participants were obtained.

In addition, Gibbs (2007), Creswell (2009) and Creswell and Plano (2011) outline reliability procedures, which were also applied in this study such as checking the transcripts and use of proper coders (cross-checking). The SSI and FGD were transcribed and compared between participant cases in an exhaustive manner. The complete coding procedure was adopted in order to gather information related to the research question. The coding process provided similar themes and new themes in relation to the study question ensuring that the findings robust and understandable (Gray, 2014). Although, the researcher used an interview guide, extra care was exercised to ensure participants did not give information out of context. Any discussion outside the scope of the topic was discouraged politely.

Robson (2011) mentions a systematic review and the evidence based procedure as another mechanism to achieve reliability. This systematic review involves a comprehensive literature review, the quality of the evidence and a detailed approach to combine data in transparent and rigorous processes. These were achieved through an extensive literature in CSR practices and the theoretical framework chapters. The researcher adhered to appropriate procedures in the collection of information, transcription, coding and analysis and

interpretation of the findings. The findings have been obtained through a process which has considered all possible risk factors, their mitigation procedures and ethical guidelines.

4.13.2 How Validity was approached in this Study

To achieve validity, qualitative studies use multiple methods to bring about the accuracy and truthfulness of the findings (Creswell, 2009; Creswell and Plano, 2011; Sarantakos, 2013). To ensure validity, the researcher used a multi-method approach that is SSIs, FGDs and documentary review. This multi-method in a triangulated manner enabled the use of rich and thick description allowing the researcher to spend more time in the field (Creswell, 2009; Saunders et al., 2009; Robson, 2011). The researcher interviewed corporate managers, NGO officers and government officers who provided rich and useful information about CSR practices. FGD with community members were conducted to understand feelings and perceptions on CSR contributions from companies. Finally, documentary study was employed in relation to government publications to examine how CSR practices have been documented by the government of Tanzania.

Using SSI, FGD and documentary review provided a richness and depth of information more so than using the mono method (Saunders et al., 2009). Information from different participants provided many perspectives of the themes being studied leading to realistic and in-depth results (Creswell, 2009). In addition, participants were audio-recorded in order to obtain information for accurate description (Whiting, 2008). Also, validity was achieved by spending enough time with participants to exhaust all questions, until when they could not describe any new things (Ghauri and Gronhaug, 2005).

To ensure face validity, (Seale, 1999) suggests that researchers seek assistance from people with practical experience or knowledge in the research discipline to help shape the nature and relevancy of the question. Thus the researcher shared and discussed the interview guide for both interviews and FGD with supervisors who are experts in the discipline of study and questions were reframed to capture the essence of the study phenomenon. The second mechanism used was to present the topic at PhD research conferences where experts read, listened and provided useful comments on the topic. The construct validity was realized by

linking theory and prior CSR studies in order to shape the understanding of how the question relates to the concept under study (Seale, 1999). Following this, the research was built on the neo-institutional theory, which relevantly answers the question(s) directed towards CSR practices in Tanzania. In this respect, the literature for this thesis was used to determine the gap in knowledge by reviewing the prior studies in different contexts using an enormous volume of online published articles.

Additionally, the validity is guaranteed through cumulative, ecological and argumentative processes (Sarantakos, 2013). Cumulative validation occurs when research findings are comparable to other studies, whereas; argumentation occurs when the conclusion derived from the findings can be followed by others. Ecological validation is ensured when the study is undertaken in a natural setting. Using cumulative and argumentative validation, the study was conducted in the participants' offices or areas of residence and the findings are supported by prior studies in different contexts (see chapter 7).

4.14 Personal and General Perceptions of Data Collection

Undertaking a study which involves multiple sources of information and varied cases brought personal and general perceptions to the researcher. Based on the practical experience of interacting with participants in this study, it seems that many respondent companies perceive researchers as having concealed objectives in their course of research. Mostly, they feel researchers' are seeking inside information to be used by the government in order to make companies abide by regulations and bylaws. This is one of the reasons why few participant companies were secured despite formal procedures being followed.

Indeed, it has come to the researcher's attention that many company managers shy away from interviews. They are not comfortable with sitting and discussing issues about their own companies in the presence of outsiders. As a result, many of them preferred self-administered questionnaires. Questionnaires are favoured because they can be completed at their own convenience, they don't have to disclose their identity and there is no room for bias as with interviews (Sarantakos, 2013). Likewise, Walliman (2011) suggest that in questionnaires, the person posing questions is remote and the response is anonymous allowing a greater

possibility of difficult questions being answered. When following up on interview requests, the researcher was asked to leave out questionnaires for managers to complete at their convenience.

Yet, participants from government and NGOs responded positively and quickly upon the researcher's production of evidence of ethics, confidentiality and the purpose of the research. Many of the respondents in this category had to call the researcher and provide him with a time when they would be available. Government and NGOs have nothing to hide as long as they are working for the benefit of the public. The participants in focus groups were cooperative and provided useful information by speaking their minds. However, they needed approval from government offices as evidence of the validity of the interviews. Interestingly, such groups needed some sort of incentive such as cash or entertainment.

4.15 Limitations of Data Collection: Interviews, Time and Weather

In undertaking the study, the researcher encountered several limitations such as limited numbers willing to undertake audio-recorded interviews and those who denied to be interviewed. Another limitation was the time frame and weather conditions in Dar Es Salaam (DSM) during data collection.

4.15.1 Limitations of not Audio-recording Interviews

During the interviews, the researcher emphasized the role of the interview, ethical and confidentiality issues and observed integrity helping participants feel comfortable to participate in the interview (Simons, 2009; Gray, 2014). Subsequently, he requested to audio-record the conversations (O'Leary, 2014). Even having outlined these issues, some company managers felt uneasy allowing their conversations to be audio-recorded. Out of nine companies interviewed, three of them refused to be audio-recorded. This refusal meant that the researcher had to apply a note-taking technique (Silverman, 2013). The note-taking technique was problematic as it was not possible to keep up with the conversation. Sometimes the researcher would ask the participant to repeat what they had said, but he could not do so again and again for fear of upsetting the interviewees. Note-taking challenges

researchers to pay attention whilst asking questions at the same time as listening and writing down answers, something that does not produce complete verbatim (Blaxter et al., 2010). To ensure every important word spoken is taken into consideration, the researcher resorted to writing some of the comments made in abbreviation.

4.15.2 Limitations to Conducting Interviews

This research was also limited by the fact that some respondents denied being interviewed outright. The researcher requested the participation of companies via written letters from ARU and his employer which detailed that the objectives of the interview were purely academic. The letters were personally delivered and three companies denied straight away by the gatekeepers (Simons, 2009) to accept the letters. Any effort to make them understand the intention of the letter failed as well. Using letters is understood to be the most common means of formal communication (Feldman, et al., 2003). Most companies did not respond positively to the letters despite the researcher's visits, phone calls, and reminder emails. All these efforts failed. Reasons for not conducting the interviews included: lack of time of companies' managers to schedule the interviews, gatekeepers denied the researcher access to the offices, and some companies had hosted other researchers and thus could not accommodate another.

4.15.3 Time Limitations

To undertake data collection; the researcher requested permission from ARU to travel to Tanzania for that purpose. Initially, the researcher requested four months for empirical investigation. But according to compliance regulations, the maximum time offered for data collection was three months. While in Tanzania, most respondents were to be physically located and then followed up (Feldman et al., 2003). It was anticipated that there would be quick responses, but mostly participants took more than two weeks to get back to the researcher. Meanwhile, follow-up visits, calls and emails were made by the researcher. In fact, the interview was a more time consuming method compared to other methods such as questionnaires (Sarantakos, 2013). In general, many company managers were not ready to

take part and as a result the researcher kept in constant contact in order to negotiate the interviews. This process continued, while gaining a few responses.

4.15.4 Weather Conditions of DSM at the Period of Data Collection

During the data collection period, DSM experienced heavy rainfall for two weeks consecutively bringing everything to a standstill. The rains were accompanied by strong winds resulting in floods which killed scores of people, destroyed property and the communication infrastructure. Many employees, including the targeted managers did not go to work when heavy and windy rains were forecasted. Consequently, three months elapsed having conducted thirteen interviews in total. This necessitated the researcher to request a two week time extension from ARU in which he managed to conduct four interviews with companies and travelled to up-country regions to conduct FGD. Although the data collected was sufficient for this study; the researcher believes that he would have received more responses to conduct interviews had it not been for the weather. Despite these limitations, the researcher managed to get respondents from all intended sectors for the research and exhausted all information on practices, perceptions, motivation and influences of various stakeholders towards CSR.

4.16 Summary of the Chapter

This chapter has described extensively the research methodology - the multi case study and methods. The approach to philosophical perspectives regarding social science research in light of interpretive paradigm, followed by the research methods of SSI, FGD and documentary review was outlined. The sampling procedures were described together with the procedures to collect data from the sample. The chapter explained the transcriptions and analysis of the data to outline findings. Furthermore, the chapter discussed the ethics procedures applied to participants and further explained the reliability and validity of data collected. The study also showed the personal and general perceptions of data collection and the limitations in the field study that were encountered. Essentially, this chapter paved the way for the findings and other chapters to follow.

CHAPTER 5

RESULTS

CSR Practices of Tanzanian Companies and Perceptions of Stakeholders

5.1 Introduction

This chapter outlines the analysis of the findings of the first set of research questions. The analysis details multi-cases by explaining the practices of companies and the perceptions of stakeholders relating to CSR in Tanzania. The company managers, government, agency executives, NGO officers and communities surrounding companies' investment are involved in gaining useful insights into CSR activities. The findings reported in this chapter and the next chapter are presented collectively from all cases across economic sectors and then compared through embedded multi-case procedures (Gray, 2014). The findings are presented sequentially from companies, communities, government, agencies and NGOs; and participants' responses are compared. The analysis in this chapter (and chapter six) has been made in light of neo-institutional theory demonstrating that the forces causing companies to adopt CSR practices are coercive, mimetic and normative influences of agencies, internal management, community pressures, promulgated standards, and organizations undertaking similar activities and persuasions and invitation during hand over of CSR projects (DiMaggio and Powell, 1983; Campbell, 2006; Liang et al., 2007).

This chapter proceeds as follows: Section 5.2 analyses the findings on the types of CSR practices in Tanzania. This explains the most important activities, the forms and the benefits and/or disadvantages of CSR practices from the companies' point of view. Section 5.3 provides analysis of how beneficiary communities perceive CSR activities. The perceptions address the relationship between companies and communities through CSR practices, the most important activities of the CSR and the benefits and/or disadvantages caused by companies from the perspective of recipient communities. Finally, section 5.4 summarises the chapter.

5.2 What are the CSR Practices of companies operating in Tanzania?

The analysis of this chapter is based on the first research question: what are the CSR practices of companies operating in Tanzania? How does the beneficiary community perceive CSR activities? The first part of the question is analysed under the predetermined sub-questions which include: the most important activities, the forms of CSR and whether they are oriented into emergencies, long and/or short term or both.

5.2.1 What is the most important activities of CSR?

CSR activities are always directed into areas where communities feel that they can benefit most. That is to say; they tend to appreciate what companies contribute in complementing what they lack. A company's engagement in CSR has a positive impact on surrounding communities. Therefore, whatever is contributed; consideration has to be given to the most important activities that will boost the community status somehow. The study highlights important aspects of CSR that are given to the community from the perspective of companies. The company managers' views regarding important contributions to society that vary from one company to another. The CSR manager stated:

“We focus on four main areas of education, health services, environments and community development. On education, we support building classrooms, toilets, desks and chairs.” CSR Manager: Cement Manufacturing Company.

In addition, the contributions offered by companies are intended to boost communities' levels of development since most of them are still poor and cannot afford many of the necessities. The marketing manager argued:

“Tanzania has a number of problems; but we pay attention to the extreme cases of education, health, hunger and poverty.” Marketing Manager. Pharmaceutical Company.

The most important activities include those programmes aimed at improving and empowering communities surrounding companies' areas of operations to help them sustain their own economic activities. The manager stated:

“Looking at the Tanzania context, empowering people or beneficiaries is becoming more critical. Of course, other aspects are also important, but Tanzanian community needs empowerment more than anything else. That is long-term oriented to solve the three particular ‘enemies’ of poverty, ignorance and diseases.” Community Relations and Development Manager: Gold Mining Company.

A company’s involvement in CSR activities is prompted by the partnerships between companies and local and central government in areas where the latter cannot accommodate due to lack of funds. In these partnerships, companies and the government use cash or supply materials with an agreed percentage share to be given to the needy stakeholders. The manager supports this contention by urging that:

“We take 10% of our profits from six markets and we give back to the community. We deal with: education, health services and health care projects, the green-agenda that is conserving the environment to ensure the next generation enjoy the nature we founded, and humanitarian aids in areas hit by catastrophes. In health; we donate hospital equipment and participate in campaigns against HIV through the media. On education, we supply desks in the ratio of 10% school, 90% bank, to improve the learning facilities.” Marketing Manager. Bank AA.

Companies also provide CSR according to their own programmes perhaps to assist a segment of a community such as women and children. The intention of the programme is to boost the status of beneficiary individuals for education, entertainment and humanitarian support. The sales, marketing and development manager stated that:

“Our areas of focus include the programmes directed to youths to improve sports. We supply jerseys and sponsor competitions. We also provide health services for the infants and maternity care. In education, we construct classrooms and toilets and sometimes we support orphanage centres.” Sales, Marketing and Development Manager: Gas Producing Company.

A similar argument from the bank manager states that;

“What we do is concerned with youths in most cases and look at the education sector as we believe and focus on acquiring knowledge so that they can grow in the future.” Citizenship Manager. Bank BB.

5.2.2 What are the Forms of CSR practices in Tanzania?

This sub-question was intended to help in understanding the forms of CRS practices of companies operating in Tanzania. This was directed to explain CSR through cash, volunteerism, and philanthropy, legal, economic, donations in kind, capacity building and awareness. Other forms of CSR are through emergencies and long and short-term contributions. The analysis of this sub-question is provided below.

5.2.2.1 Forms of CSR through cash, volunteerism, philanthropy, legal, economic, donations in kind, capacity building, and awareness

The analysis of the findings indicates that companies participate in various forms of CSR such as cash, community investment, volunteerism, philanthropy and capacity building, mostly. The forms in which CSR is practiced can be grouped into two categories: materials and mixed forms (cash and materials and volunteerism). However, giving cash alone is a practice which companies see as inappropriate. Furthermore, companies invite different stakeholders from the government and the community at large to witness the handing over of CSR contributions.

Participant managers who support their stakeholders through material forms for strategic investment and empowerment believe that cash is susceptible to many problems such as not reaching the intended audiences, theft and cheating. Generally, companies try to avoid such problems by not engaging in cash contributions. In addition, companies invite the public to witness during the handover of materials or assets they provide to their stakeholders. The invitation to the general public is a form of mimetic pressure (Campbell, 2006; DiMaggio and Powell, 1983) seen as a form of advertisement or promoting the goods and services of the company but it is a signal to peer companies to mimic the practices. The CSR manager stated:

“We believe in investing in the community that is why we normally call it corporate social investment. Upon completion of projects, we call the local authority and handle the project to them on behalf of the community members. We make it public

and invite the media to witness handing over the project.” CSR Manager-Cement Manufacturing Company.

Apart from engaging in cash contributions, companies also participate in CSR through strategic investments in designated programmes to improve the status of recipients. However, micro donations through materials still occur in some instances. The community relations and development manager stated:

“We deal with strategic investments and we cooperate with our stakeholders to identify the needs of communities. Our interest is strategic investments, but sometimes there are micro donations.” Community Relations and Development Manager: Gold Mining Company.

Companies do not participate in CSR by contributing cash as they are certain, based on experience that it will not reach the targeted beneficiaries. Companies are aware that it is more beneficial to donate whatever is needed or provide a solution to an existing problem rather than contributing cash. The marketing manager and CSR manager argued:

“We don’t give cash as we know it will not reach recipients. What we provide is normally a solution, meaning that if one lacks food we give him/her the food. If a need is about clothing, we give them clothes. If its beddings, we supply beds and mattresses.” Marketing Manager: Pharmaceuticals Company.

“We don’t believe in cash donations because control of cash is very difficult. If the community needs a dispensary and it is apparent the area does not have one, we construct it.” CSR Manager-Cement Manufacturing Company.

Sometimes when a need arises for CSR contributions to be in cash form, the involvement of government officers is important. A director of operations stated that:

“We construct classrooms, buy iron sheets and timber for schools and not cash. Cash involves many problems. When there’s no alternative and cash is given we channel it to District Executive Director’s (DED) office and not the villager.” Director of Operations: Oil and Gas Company.

Companies also deal with philanthropy and capacity building programmes to boost the status of the CSR beneficiaries in the areas in which they operate. Companies believe that supporting communities through capacity building provides a strong foundation for their

future wellbeing. Mostly, those programmes directed at the youth and disadvantaged groups are favoured. The bank marketing manager responded:

“Yes, it is more about philanthropy and capacity building. For instance, we built the greenhouse for orphans and train them on how to keep and monitor it. After 6-12 months we hand it to the management of the orphanage and go back from time to time to monitor progress. We pay for the resources or technical experts to help the community. A year ago we built a house for a disabled man and his family through the CSR budget and staff contributions.” Marketing Manager: Bank AA.

In addition, materials and skills development programmes are a CSR priority, especially in the areas related to boosting employment, entrepreneurial and financial skills development. The citizenship manager suggested:

“We don’t give contributions in the form of cash. Sometimes we donate food, materials; we sponsor short seminars in groups with youth and women. Our focus is three broad categories of employment, entrepreneurial skills and financial skills development. We teach them how to safely keep money, how to raise capital and how to start small businesses. We also provide funds to assist in the trainings.” Citizenship Manager: Bank BB.

Nevertheless, there are instances where CSR donations are done in a mixed way, that is, when cash, materials and volunteerism donations are inevitable depending on the situation. Companies resort to a mixed approach with precaution to ensure that it reaches the targeted individuals. Companies use their staff with the skills and knowledge to disseminate learning to the needy groups through their time, experience and knowledge. A corporate and marketing manager and sales and marketing managers argued that:

“There are instances where we donate cash. For example, we visited the Muhimbili National Hospital (MNH) and provided the ultraviolet sunscreen and glasses to children with skin cancer to protect eyesight. We also visit orphanage centres and donate materials such as mosquito nets and food. We also help in Watoto Wetu Tanzania to fix windows, beds and the project is ongoing. On education, we encourage skill volunteerism by our employees to teach people with different skills.” Corporate and Marketing Brand Manager: Bank CC.

“We do it a mixed way. We try to avoid donating cash, but sometimes cash is taken. We also deal with volunteers for staff to participate in teaching entrepreneurial skills

because we have staffs to do so. Donating in kind ensures sustainability.” Sales, Marketing and Business Development Manager: Gas Manufacturing Company.

In addition, the companies support community and other stakeholders by extending awareness campaigns in maternity and health care services. A CSR manager observed that:

“It depends on the circumstances. We also volunteer time, and there is a cash donation depending on the cause and initiatives. We build awareness of maternal and child health.” CSR Manager: Telecommunication Company.

5.2.2.2 The forms of CSR Contributions through Emergencies

This study examined whether or not CSR practices are on an emergency basis or not. The analysis shows that companies contribute to communities in various circumstances on an emergency basis. Normally, emergency contributions aim at improving the conditions of victims of events such as floods, earthquakes, ferry disasters and accidents. Companies have participated in a number of events to relive those in danger. The CSR manager argued:

“We do that. As of recent we helped in the Kahama floods due to heavy rainfall. We don’t look at people that are in our operations only. We go to where our products lands. We provided them with immediate assistance of food and school materials.” CSR Manager: Cement Manufacturing Company.

Companies provide contributions for emergencies to reduce the effects of the disasters because they are part of a larger community of stakeholders. Giving through philanthropy to the victims is also relevant besides long-term and strategic social investments. This is supported by the community relations and development manager who stated:

“That is why they are philanthropic donations, although our major efforts are directed to strategic social investments. Philanthropic donations, meaning that disasters happen and we contribute because we are part of the community. Recently we had a flood disaster in Kahama and we contributed. In 2010 there was ferry disasters in Zanzibar and we also supported.” Community Relations and Development Manager: Gold Mining Company.

The support related to emergencies is not limited to the companies operating in Tanzania alone. The companies operating in the region extend their contributions in all the markets in

which they operate. Companies also partner with other organizations to support victims of disasters on an emergency basis. The bank marketing manager comments that:

“Yes, we do. Last year we together with association of private companies contributed to help flood victims in Morogoro. So we step in and support humanitarian situations where there is an outbreak of an emergency.” Marketing Manager: Bank AA.

In addition, companies provide contributions to their own employees in case of disasters and other accidents that befall them when carrying out their duties. The director of an oil and gas company commented:

“We deal with emergencies within our project areas only. In 2014 one temporary employee was stung by bees during operations. He was rescued and taken to the hospital for treatments and unfortunately, he died while in the hospital. He was a married man with two kids; and we decided to take care of his family. We opened accounts for children’s education and the signatory team included grandfather, mother, and senior brother in law. We restricted the bank to withdraw cash after seven years.” Director of Operations: Oil and Gas Company.

Furthermore, emergency relief is channelled through international humanitarian organizations such as the Red Cross. They also offer platforms and encourage the general public who are interested to contribute in order to broaden the scope and amount of contributions. Other initiatives are to encourage the government to create a joint programme to help victims of disasters. The CSR Manager stated:

“Definitely we do it. We are a nationwide company and we have helped through humanitarian aids through Red Cross in natural disasters. We offer our platform for customers to donate to affected people. We have also donated food to disaster victims. Personally, I have participated in Kahama and Dar Es Salaam floods and Ebola outbreak, which was a joint initiative with the government and other stakeholders.” CSR Manager: Telecommunications Company.

Finally, companies which operate across regions normally provide CSR contributions for emergencies where sister companies are located. The objective to help peer companies is to ensure the effects of the emergency are reduced to the minimum. Before venturing into the contributions, awareness campaigns are also put in place, which is in line with mimetic isomorphism of the neo-institutional theory (DiMaggio and Powell, 1983; North, 1995),

especially in circumstances where an outbreak of killer diseases occurs. A corporate brand manager stated that:

“During the outbreak of Ebola, we were raising awareness to staff. We have contributed towards earthquake victims in Nepal. The disasters affect all of us and should be cascaded to other areas because we are an international company. We operate in India, UK and Tanzania.” Corporate and Marketing Brand Manager: Bank CC.

5.2.2.3 Forms of CSR through long-term and/or short-term contributions

The analysis shows that companies practice CSR through long-term (sustainability) and short term contributions to communities. Companies generally give precedence to long-term involvement, although short-term programmes are also relevant and provided. Managers stated that CSR programmes are oriented towards accomplishing corporate plans which are undertaken every year.

To be sustainable, companies set aside the amount they will contribute based on the percentage of profit earned or a certain agreed amount. Companies earmark CSR contributions as an obligation guided by company policy. The CSR manager, commented as follows:

“We do of course and we have a policy guideline. We spare 1% of our net profits each year for the community and every year, a certain amount of money is set aside”. CSR Manager: Cement Manufacturing Company.

“Our CSR activities are on long-term basis.” Community Relations and Development Manager: Gold Mining Company.

A further supporting statement on the long-term oriented CSR practice is provided by the marketing manager and corporate brand manager who stated:

“That is a must do activities. So it is on long-term basis. It is a must for us, unless one says no.” Marketing Manager: Pharmaceutical Company.

“All activities are long term and sustainable. We cannot do something and leave it there. We have to make sure we do it and have an impact on society.” Corporate and Marketing Brand Manager: Bank CC.

“The projects are all sustainable programmes except natural disasters. We are able to measure them at the end as we have key performance indicators”. CSR Manager: Telecommunications Company.

“We have been supporting NGOs such as Tanzania Youth Alliance (Tayoa) since 2013 and Plan International since 2014. This year 2015, we have MaMedia and we expect to support them in the future.” Citizenship Manager. Bank BB.

However, companies in the oil and gas sector are oriented towards undertaking long term CSR programmes, especially those concerned with scholarships for young scientists who on successful completion are hired. The aim of such scholarships is to generate a workforce in the new sector of oil and gas. The director of an oil and gas company stated:

“On the long-term assistances, we sponsored ten merited students in 2013/2014 at the University of Dar Es Salaam (UDSM) and we plan to employ them. We spend \$4,000 annually for these scientists and the programme is monitored by the Tanzania Petroleum Development Corporation (TPDC) and MEM.” Director of Operations: Oil and Gas Company.

Short term contributions are also relevant and required by CSR recipients. These accommodate activities and programmes through emergency and other philanthropic oriented activities. A sales and marketing manager stated:

“For now, we are supporting orphanage centres consistently and we donate every year. For other projects we look at our financial status to donate. We limit ourselves with supporting orphans when financially unstable.” Sales, Marketing and Business Development Manager: Gas Manufacturing Company.

5.2.3 What are the benefits and/or disadvantages realized by practicing CSR?

This sub-question intended to enable the understanding of the benefits and/or disadvantages experienced by the MNEs and local companies while practising CSR in Tanzania. The analysis of the benefits and/or disadvantages is explained as follows.

5.2.3.1 The benefits realized by practising CSR

The CSR practiced by companies in Tanzania is valuable and that is why, despite being costly, companies strive to do it. It is worthwhile for companies to participate in CSR in order to attract the attention of the general public, the government, NGOs and other stakeholders relating to the legitimate concerns and acceptance of their products and or services. Benefits include the creating of good relationships with surrounding communities, creating investment opportunities, good citizenship, and an emotional connection to the products. All these are achieved in replica of what companies provide to the communities living in areas where they operate. That means, the more contributions companies make to stakeholders the more positive an image they create and vice versa.

The corporations managers' views are consistent with neo-institutional theory which emphasizes institutional changes adopted by companies to achieve legitimacy (Touron, 2005; Babiak and Trendafilova, 2011; Brammer et al., 2012). Managers were of the opinion that CSR benefits companies by creating good relationships with surrounding stakeholders. This good relationship helps to provide a good working environment through interaction with local people and leaders. A new form of CSR called Corporate Social Responsibility and Empowerment (CSR+E) targeting at empowering community members has been formulated under the guidance of the Ministry of Energy and Minerals (MEM). Contributions to recipients are audited to check whether what corporate managers donate is what the recipients get. The auditing procedure corresponds to the laid down procedures which are on a par with the coercive branch of neo-institutional theory (DiMaggio and Powell, 1983; Christmann, 2004; Liang et al, 2007). In addition, alongside mimetic isomorphism (DiMaggio and Powell, 1983; Campbell, 2007; Hu et al., 2007) companies

invite elected representatives and the general public to physically witness the handing over of contributions. Responding to what benefit(s) companies realize from CSR; the manager stated:

“You cannot say there are direct benefits, but creating a good relationship and appreciation from the community. There is a new CSR called Corporate Social Responsibility and Empowerment (CSR+E) initiated by the MEM. In this CSRE, they come to audit if we have done CSR activities or not. In the audit, they include ward councillors, village chairmen, and executives. They want the village officers to testify if they obtained contributions from our company. Last year we constructed health centre, laboratory, and classrooms which were audited and checked physically.”
CSR Manager: Cement Manufacturing Company.

Similarly, participating in CSR activities enables a company to create a strong investment environment by forging good relations with host community members. Strategic investment allows companies to develop a long-term legacy that benefits both community members and employees of the corporation for the well-being of all. Responding to how strong strategic investment realizes long-term benefits, the community relations manager stated:

“It helps to live-up strong investments in the areas you operate. You empower communities. If we build a school, it can be used by our employees’ children as a learning centre. Which means the employees will be more productive as they will not be busy looking for good schools probably in distant areas. We work with local suppliers, employees; and spread wealth and create a better economy.” Community Relations and Development Manager: Gold Mining Company.

Furthermore, by participating in CSR, customers become aware of the company’s product. This helps to market and or attract more customers and hence increase profits. In support of this statement, the marketing manager argued:

“Business wise successful persons like Henry Ford say the business which makes profit on money is not a business. Sometimes giving to the needy or less fortunate is not meant to achieve any more objectives rather than helping them. If the company makes a super profit it is enough to share with the ones in need. May be if it can be called benefit it is when the people become aware of your product. CSR creates an awareness of the products the company deals with.” Marketing Manager: Pharmaceutical Company.

In the same way, undertaking CSR programmes leads companies to be recognised as good citizens in the community's eyes, government and third sector organizations. Through CSR, companies also improve their brands and are able to interact with society and the entire community through meetings about their needs, amounts of CSR contributions and procedures to get the contributions. This is evidence of mimetic isomorphism through awareness campaigns of CSR for product recognition (Liang et al., 2007). Good citizenship is a result of companies' participation in activities such as training youths at different levels of education and other contributions that help members of the community to accept the company as a good citizen. Various benefits realized by companies were explained by managers as, among others, being a good citizen and improving the company image. The managers' statements on the benefits are indicated here:

"As a business company, it is only realizing good citizenship to our country and support the community. This has led us to lead in terms of number of customers in the banking industry in Tanzania. Our customers' loyalty has increased. I think the brand speaks for itself." Citizenship Manager: Bank BB.

"Generally it is being a good citizen, not only to clients, but also to the society. It is about doing something good and for society. CSR is captured by the media, but we do it for our brand image only as it is not a marketing tool." Corporate and Marketing Brand Manager: Bank CC.

"We realize the following benefits: Outside; the brand image is improved. We also get an opportunity to interact with the society through meetings in the implementation of the respective programmes. To involve the entire community you enjoy the interactions and the recognition or esteem the company gets." Sales, Marketing and Business Development Manager: Gas manufacturing company.

Likewise, CSR is used as a bridge to connect community members and companies through the provision of contributions. The interaction between the two parties helps to achieve harmonious relationships in a win-win situation. The bank manager stated:

"One of the benefits is the emotional connections with community. I think through CSR companies are able to show that they are not only here for profit making but to support the community to improve their status. Our bank's philosophy is 'here to grow together with the community.'" Marketing Manager: Bank AA.

Risk mitigation is also a benefit of CSR practices. In line with normative isomorphism (DiMaggio and Powell, 1983; Guler et al., 2002); Tanzanian companies follow health and safety measures to ensure that employees are protected in accordance with labour standards. Companies in the pharmaceutical sector abide by health and safety measures promulgated by local and international standard setters. In addition, companies in the telecommunication sector impart high level communication technology to the communities in Tanzania. A CSR manager of a telecommunications company comments as follows;

“We know what we want to do through CSR and we minimize risks in terms of health and safety systems to employees or deaths through labour standards and we attract best talents. We have become a top 10 brand in Africa. We also impart, transform and empower the community with high level technology. The company has cleaned its own house, by helping the community around.” CSR Manager: Mobile Telecommunications Company.

5.2.3.2 Disadvantages arising from practising CSR

It can be argued that companies being responsible to stakeholders by undertaking CSR can result in some disadvantages such as reducing the profits they earn and spending money which belongs to shareholders (Friedman, 1970). However, companies participating in this study show that there were no disadvantages incurred. The participant managers reported that they have experienced no disadvantages when involved in CSR practices; but rather they come across challenges. The challenges come from shareholders, communities, recipients and they are vulnerable to public pressure and the government (DiMaggio and Powell, 1983; Campbell, 2007). Company shareholders confront company managers over their indulgence in CSR and cast doubt on the earnings that are spent on it. The CSR manager of a manufacturing company commented:

“No. I have never encountered with any disadvantages. We are a listed company and in our Annual General Meeting (AGM), some shareholders ask us questions why the company does so much CSR. Complains is human nature and people never get satisfied.” CSR Manager: Cement Manufacturing Company.

CSR practices are undertaken and applied across companies according to their own rules. Each company practice CSR in the way it deems fit. In addition, recipients of contributions

believe CSR is a must do and legally binding to companies. Sometimes they enforce companies to do it or blame them when they don't contribute. This is evidence of coercion enforced by community members (DiMaggio and Powell, 1983). The community relations manager of a gold company stated:

"There are challenges and not really disadvantages. There are many things communities tend to believe that companies should have done them. But it's not the companies' role to do. So you will be pushed into a corner that in the absence of doing it, the community will not be happy about you. CSR rules are unclear and every company has its approach that seems to fit them." Community Relations and Development Manager: Gold Mining Company.

Another challenge is associated with tax payments, ethical issues and professionalism. Normative isomorphism (DiMaggio and Powell, 1983; Guler et al., 2002) is also evidenced where companies are required to produce documented evidence to prove the authenticity of engaging in CSR activities and whether or not they observe ethics and adhere to professional conduct in the course of their operations. The bank manager supports the statement:

"Not exactly, but we face some challenges. One of these challenges is that you might need to show documentations to the government. For example, it's difficult to handle children if you have no legal evidence to do so." Corporate and Marketing Brand Manager: Bank CC.

Furthermore, some untrustworthy stakeholders in need of CSR contributions have always had ulterior motives to benefit themselves at the expense of others. Once they receive contributions from companies, they end up accomplishing their personal agendas. To elucidate the statement, the bank marketing manager argued:

"I can allude to a couple of past experiences. Some people seeking support tend to have hidden intentions. You try to help an orphanage centre by providing enough food you go back a couple of months later and find that someone took advantage for personal use. This is a good experience that has helped us decide what sort of support to provide. As a policy, right now we provide contributions related to materials and not money." Marketing Manager: Bank AA.

Additionally, the challenge facing companies while practising CSR is that they are prone to public scrutiny. Once a contribution is given to recipients, it creates an impression that

companies have significant funds and many applications are sent. Politicians also find an opportunity to request funds through CSR to help realize their political agendas. The CSR applications received by a company are beyond their ability to fund. This is further evidence of coercion from the community and the government of the host country (DiMaggio and Powell, 1983; Radaeli, 2000). The sales, marketing and business development manager stated:

“When the company practise CSR; you put yourself in the public eye. Then you invite many people to come and flood their requests beyond your ability to support. Also, local authorities wish to solve their budget deficits through CSR. Therefore, you will be caught in politics, where they try to swindle their agenda. Then, the company becomes a scapegoat for people to make money as you can contribute something and the intention will not be realized.” Sales, Marketing and Business Development Manager: Gas Manufacturing Company.

5.3 How do beneficiary communities perceive CSR activities?

This is the second part of the first research question and it was directed to beneficiary communities residing in the areas that extract gold and oil and gas. The data collection method used to gather information was the FGD and this determined the perceptions of the relationship between companies and communities. Likewise, the study examined the most important activity required by the communities and the benefits and disadvantages arising from companies' operations.

5.3.1 The perceptions of the relationship between companies and surrounding communities in CSR

Companies operate in rural and urban areas, and they do so by interacting with people residing in those areas. Companies who participate in CSR with community members have always received acceptance and are positively perceived while those not engaged in community activities and programmes have been frowned upon (Arenas et al., 2009).

Community members residing in mining areas felt that the companies are perceived negatively - that is; there is no better relationship with them. The reason behind this bad

relationship is that they don't see any benefits from the companies. Companies are perceived as less employment creators, inadequate compensators and having unclear employment procedures based on nepotism. Companies are also blamed for the side effects arising from their operations, lack of operational plans which are inclusive of communities, poor communication and poor decision making.

One of the key expectations not realized by community members is a lack of employment opportunities. Investor companies begin their operations with promises that lead to high expectations from the community members. Once they start actual operations, some of the employment promises are not fulfilled. With the failure to obtain employment opportunities, communities turn to blame companies for being untrustworthy and hence there is a negative perception regarding the relationship between companies and communities. Attaining semi-skilled and casual employment means that community members would be able to obtain funds for sustenance. Furthermore, companies are expected to give entrepreneurial skills and small amounts of capital to women and young people to establish micro and small business to sustain livelihoods in lieu of employment. Mr. HN, adult male aged 42 years, stated that:

“The youth in the vicinity of the gold mine expected them to create more jobs for the youths in the local community. The Gold Mine could even empower the youths and women's groups by giving them small start-up capitals in the area. This could be done by forming youth groups of say 10-15 people each who have an entrepreneurial idea to run the small businesses. There is no good relationship with the surrounding communities since most of these expectations are not realized.” (Response of focus group 1: mining).

Due to lack of employment; the economic status of the community members' deteriorated following the takeover of the land which was initially used for small mining activities. People were supposed to be relocated to other places or activities to complement their previous occupations. That failure resulted in community members being dissatisfied and hence a negative perception. Mr. FJ, male and aged 34 years stated:

“People depended on small mining activities before the mining company started. Unfortunately, the company occupied big areas potential for gold and no places were spared to accommodate small mining activities. There are no good relationships and wherever we go for small mining; we are chased away and sometimes beaten severely by the ruthless armed guards. The company must know that we are the

neighbours and the area in which it operates is ours and we used to conduct our economic activities there.''(Response of focus group 1: mining).

Despite some temporary employment being created by companies; the recruitment process is not clear and job vacancies are not seen advertised via a means in which the community can access. The preferred place for job advertisements for communities is the local government office and notice boards, market places and by word of mouth. These mechanisms are not in place and communities do not get the opportunity to see the advertisements. The small amount of employment created offered a low rate of pay compared to the actual minimum salary. The response from CM, male and old man was as follows:

“In my opinion the community surrounding the mining does not benefit anything from investors. The mining company promised to offer employments, but we don’t see vacancies being advertised. Some people get employed, but with many complications. The salaries they offer is small compared to minimum wage standards.” (Response of focus group 2: mining).

Responding to a probe about how he knows the salary scales of temporary labourers, the old man CM stated:

“I have worked there and I know it is in their books. If you want to go there and ask about the minimum wage offered by the company you will be shown that. I worked there in 2002 and I saw the documents.” (Response of focus group 2: mining)

The community members also mention that there is not a good relationship with mining companies since companies’ employment segregates people living close to the mining operations. People from further away and other regions are generally given priority. There is a lack of transparency by the company to the community and the contributions are associated with bureaucracy. Mr. IOM, an adult male, stated:

“The employment opportunities in the mining segregate the natives and the procedures are associated with tribalism and nepotism. In this way we don’t expect good relations between the two sides. Additionally, there is no transparency of what the mining companies do to surrounding communities. Our community is supposed to be involved through the community relations officers. The contributions meant to directly benefit the community move slowly because of bureaucracies of officers from

mining and government. Instead of praising mines available in our place, people despise them.'' (Response of focus group 3: mining).

Furthermore, community members feel that there is no better relationship between companies and the community due to various misunderstandings between them. There are inappropriate compensation procedures which have led to less payment in comparison to the market value of the property. Similarly, the compensation rights for people relocated to other places to pave way for mining operations have been obtained after using forceful means such as vandalising and burning a company's property. This is the direct impact of coercive pressure (DiMaggio and Powell, 1983; Liang et al., 2007). The response from Mr. TBE, male and adult, commented:

“There is a bad relationship between the gold mine and people because the payment of compensation relocated people is very slow. The company cannot settle the payments until when we demonstrate or when a company property is burnt to ashes. Recently, we have witnessed burning of goldmine vehicles and then some payments were settled.”(Response of focus group 2: mining).

In the same way, communities in the oil and gas sector explained that they received less compensation in comparison to the market value of their plots and houses which were valued and demolished to pave way for gas production. The amounts paid to them were not enough to construct or buy other houses to live in. The government is also not doing anything to help them for the time being because it lacks coordination with companies and the community. This is supported by ARN, male and adult, who stated that:

“I am one of the affected persons with the gas pipeline project. The land belongs to the government; people are just to ensure it remains productive. I possessed a surveyed plot from municipal and built a house on it. After valuations I got an insufficient amount to buy another plot and build a house. I complained to get additional amounts and I go to the District Commissioner's (DC) office every month for follow up, but haven't succeeded yet.” (Response of focus group 4: oil and gas).

Community members also revealed that they have lost previously owned resources such as water for domestic use due to the takeover of their areas. While these sources of water have disappeared, they have so far not obtained alternative sources such as tap water or modernised existing boreholes. Such cutting off of water sources creates a misunderstanding

between community and companies, thus leading to bad perceptions. OL a female youth aged 25 years, stated:

“The relationship that exists between the gold mine and people is worse. This is because before making the evaluation of the area we live in; we had a borehole which supplied water for human consumption and other use. When the evaluation was completed and production started, the borehole deteriorated due to dust from the exploded rocks. We continue to drink dirty and contaminated water with explosives and chemicals endangering our health.” (Response of focus group 2: mining).

The participants explained that mining activities are not appropriately managed and have resulted in social and environmental damage. The communities are affected by sound and dust pollution. The explosions lead to houses developing cracks in the walls. The dust from explosions settles on the roofs of houses and in the water, making it unfit for human consumption. Mr. RB, adult stated:

“Communities living around the mining operations are affected seriously by the explosions that develops cracks in the walls of houses. We get diseases from the dust emitted by explosions. People are warned not to drink rain water tapped from their houses because it is contaminated with chemicals that causes serious effects.” (Response of focus group 3: mining).

“On 23.03.2015 some people were hospitalized because of huge explosions; and the mine has done nothing to contribute to the treatments of the victims. People are affected by dust that make them suffocate and get a flu.” (Response of focus group 2: mining).

The participants also observed that mining activities should be undertaken with careful planning for the well-being of people, at least to recognize the sustainability agenda. Mining operations are supposed to be stationed at a certain distance in order to avoid some of the effects to residences nearby. Mining companies are located within short distances from dwelling areas where chemicals are having an impact on people. The mining pits are open and chemicals from mining operations affect people surrounding the area by way of contamination of water and air. To avoid the negative effects, mining companies are supposed to use more sophisticated technology. To support this, Mr. HM stated:

“Our nation was not much prepared to start economic activities of mining extractions. I say that because the negative effects of the mines are more fatal than people think they are. The mining operations in our area are very close to residential areas. An open cut mine should be at least 25kilometers (km) away from human settlements. Here the mine is only 2km away from where people live. So the effects of open cut mining are too high as opposed to underground mine operations. The company has no intention to adopt the blasting heavy house system that harvests the chemicals generated and dispersed within settlements during mining operations.” (Response of focus group 3: mining).

Additionally, participants felt that some of the company services that are in excess of requirements should be given to communities surrounding the mining operations. This could help to relieve communities from poverty and reduce some of the transport costs. They believed that people in villages where company buses pass while transporting employees could benefit from them also in their daily economic activities which necessitates them to travel from one place to another on foot and by bicycle. Mr. BS, male and youth; stated:

“The communities around the mines are living in absolute poverty and face many challenges. Look at people living in Mwendapole, Chapulwa and other villages have no transport means. Of course, people travel to and from town on their own missions. But we see that the company’s buses take mine workers to and fro home are normally not full. It would be better if people would be given lifts to and from towns at least to make the relationship be good and beneficial.” (Response of focus group 3: mining).

Another participant criticized the lack of communication and transparency from the government and the community relations officers. The communication officers who would be a bridge between the companies, community members and the government end up sidelining peoples’ interests. The communities around mining operations have no means to make their voice heard to the mining company’s headquarters regarding various concerns. Evidence to support this statement is provided by SM, male, adult; who explained:

“My opinion on the relationship between companies and people is not good. There is no transparency and citizens don’t know their rights. The community relations officers from mining companies are always on the side of the companies. They are unable to be interacted and they normally don’t pay attention to community matters.” (Response of focus group 3: mining).

In relation to the communication barrier, there is lack of inclusive decision making between companies, government and communities. The community members feel they are not

involved in decision making processes. The community's perceptions, expectations and trust are important components in understanding CSR development in different contexts (Arenas et al., 2009). Even the funds provided do not reach beneficiaries due to lack of involvement of key stakeholders. Participants also observed that the government is not faring well with people by only safeguarding the interests of the investors. MSW, male and adult stated:

“People living in the gas surroundings have not benefited anything. First, people are not involved in the decision making process and have not been given priority by investors. The government supports investors in fear of halting the investments despite its supremacy to ensure companies abide by laws and regulations. Second, companies provide contributions to youth groups, but the funds do not reach them. You ask the MP or counsellors; they have no answers.” (Response of focus group 4: oil and gas).

5.3.2 The Most important CSR activities for the communities

The focus group members also undertook a lengthy conversation on the most important CSR contributions for their livelihoods. Depending on the need of a given society at a given time, the contributions from companies are ranked according to the purpose and need they serve. It is, however, down to the corporations and their managers to establish and understand the stakeholders' most pressing needs in their areas of operations in different cultural and economic backgrounds (Dobers and Halme, 2009). CSR contributions are important to provide communities with essential goods and services which cannot be supplied in plenty by the government. The following are important CSR activities for communities.

5.3.2.1 Water Supplies

In response to what important activity they think is worth getting from companies in their areas, participants mentioned water as their first priority. Community members explained that the shortage of water is partly caused by mining operations. Mining operations spoil the boreholes which are the main sources of water and make them unfit for consumption. The companies cannot provide other sources currently. Water is the main source of sustenance as well as having other domestic uses including cleaning, washing and farming.

Unavailability of water in a given place potentially leads to a cumbersome lifestyle. Mr. PM, male and adult, 41 years old and village chairman stated:

“We, the inhabitants of this area our main concern is water. When the company blasts; there is a huge cloud of dust which settles on and spoils the water, thus, becoming unfit for human consumption. The dust also sticks on the iron roofing of our houses. When rainfall comes, we tap and drink totally unclean water not recommended for human consumption. We normally tell our neighbour-the gold mine to dig up deep boreholes at least to reduce the acute shortage caused by their activities.” (Response of focus group 1: mining).

5.3.2.2 Health Services

Participants also highlighted health services as the next most important service they have lacked for decades. Communities have managed to construct a building foundation for a dispensary in their locality, but cannot complete it due to lack of funds. The lack of health services has a far reaching impact because the most affected groups are women and children. According to FJ, male, 34 years:

“The most important thing is health services. Our women walk long distances to follow the health and maternity services. Mind you women go and return for nine times in 9 months and she delivers she has five years taking the child to clinics. We pay a lot of expenses to follow the health services in distant places. If the gold mine wishes to have a good relationship, let it complete the dispensary building we have started a while ago. Currently, we cannot secure funds from local and central government for this purpose.” (Response of focus group 1: mining).

The community members were concerned with the need for companies to construct big hospitals instead of dispensaries. In the areas where resources such as gold mines and oil and gas are found they have no public hospitals which can cater for the needs of the people and reduce unnecessary migration to distant regions. For equitable enjoyment of life, important services such as hospitals must be evenly distributed at least to zone level, a situation not found in Tanzania. The community from where oil and gas is extracted places importance on a big hospital to help minimize the problems associated with the lack of a health facility. Contributions from IS: adult male, and IOM, adult male; are stated respectively.

“The companies coming to our place are too big. They should build us a big hospital. This would diminish movements of patients to Dar es Salaam and other places and cut transport and treatment expenses.” (Response of focus group 4: oil and gas).

“It could be good if Kahama district, a home of two major gold mines; get a big hospital to help treatments for residents and victims of mining operations.” (Response of focus group 3: mining).

5.3.2.3 Environmental Protection

Another important CSR activity for the community is environmental protection. Communities are concerned about the misuse of the environment which is triggered by over utilisation of resources - especially in the extractive industries. According to Kramer (2011), environmental awareness by stakeholders is intended to accommodate procedures and techniques in the balanced use of water, raw materials, energy, the vegetation, oil and mining and all resources in a given area. Participating members in the FGDs were concerned about how companies use resources, causing danger to the wellbeing of the environment, people, animals and insects. The destruction of the environment led to a disruption of flora and fauna and the future wellbeing of generations will be jeopardised.

Community members placed emphasis on human life and wellbeing and highlighted issues that may affect their lives, including environmental degradation, mining waste and chemicals. HM, adult male argued:

“I believe no any wealth surpasses human life. The importance should be placed on preserving animals and plants. Before other benefits the priority should be health of all living organisms around the mine. The mining companies use chemicals whose effects to people and other living organisms is fatal. Any fluid including the poison emitted contaminates the air. The mine is 2 km only from residential homes and when the wind blows; you find that the effects of radiations are high on the populations around. The rock blasting should apply the equipment called heavy blasting house to absorb all radiations.” (Response of focus group 3: mining).

5.3.2.4 Schools and Educational Facilities

Due to the growing population, schools and educational facilities are desperately needed and ranked among the top most important services. The construction of complete schools or

buildings (classroom, offices and toilets) would pave the way to cater for the needs of a large number of youths in the local areas surrounding companies' operations. Mr. IS: an adult said:

"Our ward is highly populated and the two primary schools cannot cater for the high demands of children. We need another school to reduce classroom congestions."

"I think the companies should build more classes at the primary school because classrooms are full beyond their capacities". AAM; male and adult (Response of focus group 4: oil and gas).

Participants were of the view that companies in mining and the oil and gas sectors need to establish mining colleges to train local people to become knowledgeable. According to IOM, male and adult; the following statement applies:

"I think it is appropriate to introduce mining colleges in order to educate the population and provide positive impacts in the booming mining and oil and gas sectors." (Response of focus group 3: mining).

5.3.2.5 Employment creation

Communities aspire to receive employment offers from companies in order to improve their livelihood. As a developing country, Tanzania is challenged by a lack of opportunities for its population. Participants explained that people residing in the rural areas in which mining and oil and gas companies are located have no specialisation due to lack of advanced formal education. Thus, the few educated, and many of those less educated and uneducated, aspire to gain professional and casual employment from companies. Community members value the companies who provide them with employment vacancies of all forms (professional and casual) so that they may procure and meet other basic needs such as food and shelter. However, participants viewed that the few employment vacancies are associated with bribery. Mr. ARN an adult stated:

"I would suggest that companies investing in oil and gas prioritize the employment to the citizens. Most of the people here have no jobs and they are not sure to earn their living. Currently at a cement manufacturing company; people from our locality

does not exceed 20 out of 500. To get the few casual labourers' vacancies are associated with bribery.'' (Response of group 4: oil and gas).

Other participants had similar views regarding employment creation being the priority in their areas of residence. Mr. MSW, and Mr. IS, adults stated respectively:

"It is about employment, which is a fundamental right for people. There are driving jobs at Cement Company which do not require high education levels. Many of our youths are good drivers. You find our people have few casual employments without contracts. We are not respected at all and our officers should ensure investors support citizens instead of paying taxes alone.'"

"Companies investing in our region should give priority in employing the citizens before they consider people from other regions. We don't need technical and advanced level jobs, but those suitable to our people should be provided to reduce jobless population.'" (Response of focus group 4: oil and gas).

5.3.2.6 Infrastructure Development (Electricity, Roads, Sports and Playgrounds)

Infrastructure development is another important activity given priority by participating members. The community members emphasized the need to improve electricity and roads to a reliable standard as such facilities still fall below accepted standards. Many rural areas have no electricity and the roads consist of a loose surface and are seasonal in nature. The government has not been able to improve these facilities due to budget constraints. Community members felt that companies could supply electricity and refurbish roads to at least a bitumen standard as they have the financial ability to do so. Community members also urge companies to build sports centres, sports academies and playgrounds. In this regard, Mr. IOM adult; stated that:

"For my case this town should be maintained according to the resources available. They should construct roads, electricity, sports and playgrounds to promote their legitimacy.'" (Response of focus group 3: mining).

More views were provided by participants regarding the infrastructure development in their rural areas. AAM; male and adult added:

“I think we need companies to indulge in roads and electricity infrastructures for us to be in a better situation.” (Response of focus group 4: oil and gas).

A similar opinion regarding the need for electricity in their locality was provided by members from the mining and oil and gas communities. They emphasized the need to have electricity as it can be used to carry out other activities. Community members need electricity because it leads to other micro business activities being undertaken in order to earn a living. JM, male and adult and Mr. RN, male and adult commented respectively:

“We have a serious electricity shortage in our township, but the mining company has uninterrupted electricity, which can be donated to homes surrounding the gold mine because they have energy that exceeds their industrial demands.” (Response of focus group 3: mining).

“If you provide electricity, other economic activities like ice-cream or frozen water businesses will arise. If we have electricity we will do.” (Response of focus group 4: oil and gas).

5.3.2.7 Helping the elderly and construction of market places

In addition, participant members were interested in a company’s participation in services targeting vulnerable groups such as the elderly who cannot take care of themselves and are too poor to afford living expenses. They also sought to have a marketplace to sell their goods as there was no market in their community. Responses from participants are as follows: RM, young male stated:

“Our cry is at least to get important social services according to the effects we are getting here. We need to see them assisting older people who cannot take care after themselves. The citizens very close to the gold mine need a marketplace to be constructed by the company for us in order to show good relationships with neighbours.” (Response of focus group 2: mining).

5.3.3 The benefits and/or disadvantages realized by communities from companies CSR practices

The study established the benefits and/or disadvantages of companies in the surrounding communities. Despite the poor relationships, community members were unanimous that they

receive some CSR contributions from investor companies. The challenges remain that contributions are still unsystematic and not inclusive. The companies CSR contributions are small compared to their financial abilities. Communities benefit from obtaining infrastructure, health services, education, water supply, office expenses, recreational services, few employment vacancies and funding of vocational training.

Essentially, the companies contribute to needy communities irrespective of the areas and locations they are in. Sometimes companies money is channelled through district councils for development and/or recurrent expenditures to benefit the district as a whole; something which is not right for those communities living closer to companies' operations. Those living close to areas of operations feel they should be given priority in benefiting because they are the most affected by companies' operations. Mr. FJ, male, 34, stated:

“Yes, there are things the company has contributed to the society. But it is very minimal compared to the profits they earn annually.” (Response of focus group 1: mining).

In addition, participants were of similar views on the benefits they have so far obtained from the company in their locality in the form of CSR. The views of FGDs 1 and 2 from Mr. JJ, adult, 51 years old and Mr. RM, a youth is indicated respectively:

“For sure the gold mine has contributed somehow nobody can deny this fact. But the system used by the company in my view is wrong. The money paid to the district councils goes to benefit distant communities instead of those very close to the mine and who have been affected seriously by the mining activities.” (Response of focus group 1: mining).

“The mine has constructed a modern girls' secondary school in Nyankumbu and our children are being educated there and have relieved us of shortage of schools in this region. There is a water project since 2010 and the mine partnered with the government to pump water from Lake Victoria to our township. The mine has already done its part and water is almost near town centre. The company volunteered to treat children with cleft mouths and sponsor youths in vocational training courses and renovates roads.” (Response of focus group 2: mining).

A similar contention that companies provide less valuable CSR activities despite their potential to give a boost to local people was provided by Mr. IMO, adult, as follows:

“There are benefits to a small extent to be honest. They have refurbished some of the town roads to a bitumen standard. They have sponsored some of schools and sports and culture as well. They have also built a dispensary in the village. They also contributed school desks and textbooks. They have sponsored football leagues and show world cup finals for free in the town and villages. However, the benefits are small compared to how big the mining and oil and gas companies are in terms of revenues and productive capacities.” (Response from third focus group: mining).

5.4 Summary of the Chapter

This chapter has analysed and presented the data collected from company managers and community members in light of neo-institutional isomorphism aspect. Essentially, types of practices preferred by companies are indicated and an explanation of the most important aspect of CSR practiced which is more suitable for a community was also outlined. The chapter has indicated that there is consensus between company managers and the community regarding practices that are considered important. These include education, health and water services, environmental protection, empowerment, employment creation, infrastructure as well as sports and human and labour rights. It has also been substantiated that there are benefits and no disadvantages arising from companies' CSR practices. The benefits, among others, include good citizenship, risk mitigation and good relationships with surrounding communities - which is a milestone for business survival. Companies are challenged with ill-intentioned representatives who don't ensure that contributions reach the target audiences. Furthermore, the chapter detailed the perceptions of community members about CSR activities and the relationship between companies and communities. The companies are perceived as providers of insufficient CSR and community members indicated that the relationship between companies and community members is generally bad. The companies are involved in CSR through long-term and short-term means, although preference is given to the former for sustainability reasons.

CHAPTER 6

RESULTS

Motivating Factors for Practices and the Role of Institutions in Promoting CSR in Tanzania

6.1 Introduction

Chapter five provided an analysis of the results of the first empirical evidence on CSR practices and the perceptions of stakeholders towards companies' CSR. This chapter continues to provide multi-case evidence about motivating factors and the role of institutions in promoting CSR in Tanzania. Carried out in the lens of neo-institutional theory; the chapter analyses the motives and institutional mechanisms driving companies to practice CSR. CSR in Tanzania is not mandatory, but it is somehow regulated through various mechanisms. Companies experience isomorphic pressures of a coercive, mimetic and normative behaviour (DiMaggio and Powell, 1983) in undertaking CSR activities.

The motivators and institutional mechanisms focus on how and why companies are motivated internally and externally as well as how they are influenced by beneficiary groups to participate in CSR activities. The neo-institutional theory was applied by interacting managers, government and its agencies, NGOs and community members to justify how and why managers experience pressures leading them to adopt certain practices (Fredriksson et al., 2013). The participants' views demonstrated the degree to which they are engaged in responding to the pressures put on them by individuals and organizations (Ahmadjian and Robbins, 2005).

The rest of the chapter proceeds as follows. The next section discusses what motivates companies to participate in CSR in Tanzania. Section 6.3 discusses the role of different institutions such as government, NGOs and community groups in influencing companies to adopt and practice CSR. Finally, section 6.4 summarizes the chapter.

6.2 Why Companies are Motivated to Practise CSR in Tanzania?

This section analyses the first research question: why companies are motivated to practise CSR in Tanzania? This question was approached through interaction with company managers, government and agencies, NGOs and community members using SSIs and FGDs. The study identified the forces causing companies to adopt CSR practices as a forced mechanism through parent companies, the regulatory agencies of the host government, NGOs and community members. Furthermore, the persuasion and invitation of companies to take part in CSR is relevantly applicable to mimetic pressures. The adoption of industry norms in the practice of CSR is caused by normative isomorphism (DiMaggio and Powell, 1983).

Companies continue to provide assistance to communities through CSR because of factors within and outside their domains of management. When MNEs and local counterparts decide to invest in a country, they do so by abiding to the laws and regulations that apply. Therefore, their successes are largely dependent on how they abide by the legal framework of the host government and other legal entities; a condition which applies to the neo-institutional theory. The motivations categorized into internal motives (management support), external motives (parent companies, the government of the host country, follow industry norms, NGOs and regulatory bodies) and the influence of the beneficiary group are elucidated in light of the data analysis.

6.2.1 Internal motivating factors of companies to adopt and practice CSR

This section answers the question: Why companies are motivated internally to practice CSR? The internal motivating factors, to a large extent, depend on the management support in organizations. The support from top management and team members, foundations and committees are among the causes of coercive isomorphism for a company (Liang et al., 2007) to adopt CSR practices. The decision to undertake CSR practices for communities and other stakeholders in social, environment, philanthropic and empowerment (economic) and other programmes is supported by policy, management and staff. CSR activities and programmes are planned and implemented due to top management support and employees'

cooperation. Important activities such as budgeting are conducted in the departments or sections responsible for CSR in the same way as other organizational activities. Management support from Managing Directors (MDs), Chairmen, Chief Executive Officers (CEOs), Chief Financial Officers (CFOs) and Human Resources (HRs) is important in supporting CSR practices within organizations (Liang et al., 2007). The CSR manager and corporate and marketing manager stated respectively:

“Our CSR depends on the policy that guides us and the management support. We spare 1% of net profits each year for the community. The top management ensures that the policy is exercised. We do so to create better relationships and appreciation from community. So everything depends on the company’s management decisions.”
CSR Manager: Cement Manufacturing Company.

“The management supports CSR and sets policy and plans to undertake it. The corporate affairs is one that deals with CSR.” Corporate and Marketing Brand Manager: Bank CC.

Furthermore, every year the decision is made in advance about how much to give to society. However, the contributions are not necessarily dependent on the profits earned. Management determines and pays the contribution with the intention of boosting the communities surrounding the company. The manager stated:

“The management of our company makes decisions that every year we contribute an amount of \$10m for the community development projects. This amount if you look at our annual turnover is just around 1% of our profits. It was not designed to reflect a 1% of the profits or to spend \$10m; but to ensure that we invest in the community.”
Community Relations and Development Manager: Gold mining company.

A sales, marketing and business development manager explained that CSR is accomplished with the support obtained from the top level management team who participate in the decisions related to CSR programmes in addition to other responsibilities. He stated:

“Everyone, including senior management takes part in CSR, especially, the MD, HR and others once an agreement is made about what is going to be given back to the society we all take them as our company projects.” Sales, Marketing and Business Development Manager: Gas Production Company.

The CSR internal arrangement is accomplished by designated sections and/or departments with officers to look at everyday operations. Having departments and officers to deal with CSR is an indication that companies are serious about the issues concerning the communities around them and other stakeholders. The departments and the respective officers have always helped to simplify the administrative procedures related to contributions to society. The manager of a gold producing company stated:

“We have a section in our organization working on CSR. The company has three operations in Tanzania, and from each we have staff in CSR section. One of their major works is to ensure they interact with stakeholders daily in order to determine how CSR programmes could be done and seek to revise the action plans of the ongoing activities we have agreed to implement. I am the manager of CSR and the only person in this section. I work with internal stakeholders, social investment, programme developers, technical team, commercial and marketing teams. In fact, CSR is supported by top management and there is no one project I work alone.”
CSR Manager: Mobile Telecommunications Company.

It was further explained by a pharmaceutical company marketing manager and corporate marketing manager of a bank that CSR is dealt with via other departments and currently they have no separate department for CSR matters. Despite having no separate departments, CSR is not affected as companies continue to provide support to stakeholders due to management support. The marketing manager of a bank pointed out that the section responsible for CSR in the departments is currently composed of three employees, which is much better than other companies whose CSR activities are managed by one person. The marketing manager and corporate and marketing manager of a bank stated respectively:

“Our company is part of the East Africa Company. But in Tanzania it is managed under marketing department and it is called customer marketing. From this department CSR activities are planned and implemented, including CSR budgets.”
Marketing Manager: Pharmaceutical Company.

The manager of a bank stated, *“Currently we have got three employees in the section. The CSR is determined according to the management policy.”* Corporate and Marketing Brand Manager: Bank CC.

Apart from companies' management support, CSR matters are handled by foundations as well as committees. Foundations and committees are another mechanism (Liang et al., 2007)

to enforce CSR practices by companies. The involvement in CSR which is considered a core value is conducted in the parameters of good citizenship caring for stakeholders. The marketing manager states that:

“We have a governance structure and an independent foundation which governs the markets we are in. We also have CSR committee, which scrutinizes all the proposals and oversees the implementation of projects. The foundation has a core team at our headquarters in Nairobi, but in the country here it comprises of CSR Manager, head of marketing, MD, the Chairman, and CFO. But there is a support team from the marketing and procurement sections.” Marketing Manager: Bank AA.

To show how important CSR is, the participant managers mentioned that they consider administrative and financial procedures such as budgeting and planning to be the backbone of contributions to the surrounding communities and other stakeholders. Budgets and plans are coordinated and reported across management hierarchy. The marketing and business development manager and CSR manager stated respectively:

“Our management is tailored in that way and we undertake various CSR programmes in normal procedures of planning and budgeting. We continuously interact with official work so that all management team becomes aware of what goes on. The department responsible for CSR in our company ideally; it is sales and marketing department.” Sales, Marketing and Business Development Manager: Gas Production Company.

“We have budgets every year, and we have due diligence with organizations to make sure that the right partners are at hand.” CSR Manager: Mobile Telecommunications Company.

The coercive mechanism of the neo-institutional theory (DiMaggio and Powell, 1983) manifests itself whereby community members have influence on management decisions to support them through CSR programmes. Community members' applications are being followed up in addition to the forums between companies and community members to decide on what and how much should be contributed. This is in line with the neo-institutional theory under coercive isomorphism which occurs as a result of formal and informal influences of organizations on other organizations to emulate certain practices in line with cultural expectations of the communities in which companies function (DiMaggio and Powell, 1983; Hu et al., 2007). The managers stated:

“The amount to be contributed to organizations and individuals is determined by the proposals they come up with. The management sets a target of how many youths we wish to reach out in a particular time and their respective amounts. We therefore convene meeting with local leadership on the proposals and agree on the amount to spend in the social investment. Every year we set CSR priorities and last year the concern was to impart knowledge on financial, employability and life skills to jobless and less fortunate youths.” Citizenship Manager: Bank BB.

“The requests from people are also dealt individually to determine if they are within the areas of our priority.” CSR Manager: Mobile Telecommunications Company.

6.2.2 External motivating factors of companies to adopt and practice CSR

This sub-section answers the question: Why companies are motivated by external factors to practise CSR?

Consistent with neo-institutional theory the external motivating factors for companies to adopt and practice CSR are due to the coercion of parent companies, the government of the host country, the following of industry norms, NGOs and regulatory bodies and government agencies (DiMaggio and Powell, 1983; Campbell, 2007).

6.2.2.1 Influence of Parent Companies

Many subsidiaries in Tanzania follow their parent companies in carrying out their business operations in foreign countries (DiMaggio and Powell, 1983; Rosenzweig and Nohria, 1994). The subsidiaries depend on parent companies which, among other things, supply capital, workforce and technology (Kostova and Roth, 2002). This is because, parent companies are well established and have markets, customers and other resources; they provide both direct and indirect support for subsidiaries to flourish in new territories. As a matter of policy, parent companies that practice CSR consequently influence the subsidiary to undertake the same in the foreign environment (Kostova and Roth, 2002). The study examined the relevancy of this from subsidiaries operating in Tanzania with regard to how they become adaptive to participating in CSR. The responses from managers of companies regarding the influences are categorised into those influenced (dependent) and not influenced (independent) by parent companies.

The subsidiaries whose activities are influenced directly by the parent companies receive the instructions from headquarters to apply CSR. Other subsidiaries are influenced by their core group initiative, which requires them to comply in a similar manner with CSR practices across all the markets they operate in. The marketing managers of a pharmaceutical company, the marketing manager of a bank and the CSR manager of a bank stated respectively:

“CSR is the number one priority for this company. It does a lot in India, Sri Lanka, and in Africa. We receive instructions that please do CSR. From there it is up to the subsidiary to decide on what to do as we are on the ground and we know well than those in the headquarters in the United States of America (USA). Later on we give them feedback on the results.” Marketing Manager: Pharmaceutical Company.

“Yes. This is a group of companies and hence we have a group policy. We do similar things in all the markets we are operating in. We are governed by the same philosophy and the CSR budget of 10% of group profit is distributed equally to its subsidiaries in which the bank operates.” Marketing Manager: Bank AA.

“Our CSR –seeing is believing- is a group initiative not only in Tanzania but also in the rest of the markets in which our bank operates. It is acting under sustainability agenda and policies and procedures are set by the group in London. We thus implement the programs that are at our level.” CSR Manager: Bank CC.

The managers of MNEs not influenced by their parent companies in practising CSR claim that there is policy sharing only with headquarters. They have a corporate structure which sets targets, standards and has overall supervision. However, these subsidiaries depend on the funds from corporate bodies. The following responses apply:

“We do share the policy only, but the parent company does not direct us on what to do. The policy indicates four major focus areas: education, health, community development, and environment. We are the ones, who have the applications, the money and the areas we are going to support. Now the parent company is based in South Africa it has its own CSR activities, we don’t copy anything because the policy guides us.” CSR Manager: Cement Manufacturing Company.

“Our structure is that we have a corporate entity which sets targets and has the overall supervision. The parent company is headquartered in London, but we operate without their influences. This is a place of operations and the three mining companies in Tanzania have guideline standards to enlighten them on what to do.” Community Relations and Development Manager: Gold mining company.

Furthermore, a director of operations argued that they are not influenced in any way by their parent company because the CSR initiatives are based on their organizational plans as they have the means to support stakeholders. In addition, the manager of a telecommunications company expressed that the company is free of parent company guidance in terms of CSR as they know the local environment better than the parent company. The companies are involved in determining the local needs of communities in areas they operate. Explanations from managers about how they do not rely on parent companies are provided as follows:

“The parent company has no influence, although it raises funds in Australia. Whatever we want to support is requested and discussed through the board.”
Director of Operations: Oil and Gas Company.

“No. We are not influenced in any way by our parent company. The company is free and independent to do every activity. What we do on CSR depends on the local needs. This company is owned by Milcom Global and it operates regionally and locally. We customize the global policy and strategies to tailor our operations.” CSR Manager: Mobile Telecommunication Company.

6.2.2.2 The Influence of the Host Government

To correspond to coercive isomorphism, companies are responsive to host government requirements using other mechanisms outside the legal domain (DiMaggio and Powell, 1983; Campbell, 2007). As CSR is not mandated, companies are encouraged by the government of Tanzania to practice it voluntarily. The government interacts with companies in the form of dialogues and discussions to ask them to adopt CSR.

Similarly, negotiation and agreement between government and companies is another element of neo-institutional theory in which various support and partnership arrangements are accomplished (Campbell, 2007). In general, the minister of minerals and energy invites companies to meet and requests them to participate in CSR. This has acted as a spur for companies to actively participate in CSR. Furthermore, the government requests contributions from companies whenever a need to do so arises. Normally, governments encourage corporate bodies to actively participate in CSR in the communities residing around their areas of operations. The following statements justify the participants' claims:

“The then minister of MEM used to invite and request all companies to support and train Tanzanians improve their life standards. Last year, he asked companies to state what they have done for communities in terms of CSR.” Director of Operations: Oil and Gas Company.

“Sometimes I get letters in my office requesting us to facilitate their activities. The government encourages large corporations to actively participate in CSR.” Sales, Marketing and Business Development Manager: Gas Production Company.

In addition, while recognizing the role of CSR for community members, the Tanzania government also awards companies that contribute to CSR. The government of Tanzania awards companies which effectively participate in CSR for the wellbeing of its citizens. According to Liang et al. (2007) rewarding a company is an indirect coercion from the government that has been used to motivate companies to participate in CSR. The marketing manager stated that:

“I think there is a taxation policy that reward companies that give back to the community. So it plays its part that way. Even the minister responsible for energy and minerals participates in awarding companies with recommendable CSR programmes. We also engage with municipal councils, they tell us their needs and where we can partner together.” Bank Marketing Manager: Bank AA.

However, other managers felt that the government has no influence on companies to participate more in contributing to CSR activities as there are no laws to enforce this. The marketing manager explained that they sometimes obtain initiatives from the local government to participate in the cleaning of the environment whenever they have that initiative. The government, specifically regulates financial systems involving banks and is not particularly interested in CSR matters. Two manager statements supporting the lack of laws related to CSR in Tanzania are stated respectively:

“There is no government interaction to say.” CSR Manager: Mobile Telecommunications Company.

“There is no influence from the government point of view. It is our own initiative.” Citizenship Manager: Bank BB.

“No any influence. For a bank being international, the government of Tanzania is our regulator. Sometimes there are government initiatives in which we are asked to

participate. For example, Ilala, Kinondoni and Temeke district councils have always invited us to participate in the cleaning of the environment when they have commemorations.” Corporate and Marketing Brand Manager: Bank CC.

Companies undertake similar important activities that are linked to copying of organization(s) by other organization(s) to reduce the chances of risks through CSR practices. This is evidence of the presence of mimetic isomorphism of the neo-institutional theory (DiMaggio and Powell, 1983; Hu et al., 2007). Mimetic isomorphism occurs when organizations mimic or copy other successful peer companies in the same industry for fear of legitimacy challenges arising due to unfamiliarity and uncertainties that mean they cannot realize their intentions in new environmental settings (DiMaggio and Powell, 1983; Hu et al., 2007; Beddewela and Herzig, 2013). Mimetic isomorphism applies when companies distribute CSR contributions by inviting stakeholders and media to draw the attention of the other officers and companies to copy similar practices and act in the same manner (DiMaggio and Powell, 1983; Galaskiewicz and Burt, 1991). The managers felt that although the government owns all social and economic wellbeing of its population; it strongly encourages companies to get involved in CSR. The CSR manager stated:

“We involve the government when handing over big projects. We call the higher authorities like Ministers and tell them we have done this project and we wish to handle over to them. We also invite the media: newspapers, television (TV) and radios to witness what we have done. We want to influence other companies at least to follow what we do.” CSR Manager: Cement Manufacturing Company.

6.2.2.3 Following of Industry Norms

Companies become responsive to CSR because they are subject to industrial norms shared with peers and hence conforming to the condition called normative isomorphism (DiMaggio and Powell, 1983; Campbell, 2007). The companies that abide and follow the industry norms tend to receive acceptance by society and thus, become successful. This study intended to understand how the following of industry norms have or have not been a catalyst for companies to be more socially responsive. Essentially, many participant managers agree to follow industry norms in their respective industries. The manufacturing industries producing cement follow International Organisation Standardisation (ISO) to control dust. The CSR manager opined that:

“We do follow the norms, of course, we control dust. There are measurements that are kept and the dust emission should not reach that level. We are an ISO accredited company, and there are some surveillance audits that are done on dust emission in the cement industry. One of our competitors was closed down because its dust emission exceeded the limit. In our case we are below the dust emission ceiling.”
CSR Manager: Cement Manufacturing Company.

Similarly, in conforming to normative isomorphism mining companies have mining rules to be adhered in the course of their operations. However, the manager stated that to date CSR is dependent on a company’s prioritised areas. The community relations manager in a gold mine stated:

“Yes, there are industry norms in the mining conventions on the environment. But if you look at CSR, the industry norms are not formalised and effective. CSR is like a shoe size which cannot fit all. Every company has its policies and it is adopted based on the context whereby social services should be provided bearing the changing nature of demands. What people are interested in today is likely to change another day, so you quickly adopt your strategy to fit the purpose.” Community Relations and Development Manager: Gold Mining Company.

Being motivated by normative pressures (DiMaggio and Powell, 1983; Campbell, 2006) companies in the pharmaceutical industry apply local standards that lead to the adoption and practice of CSR in Tanzania. The institutionalized rules set out by standard setters, upon which companies are dependent, have led to awards and punishments depending on whether they abide by them or not. Local standards help to shape companies in the same industry to carry out certain practices. The marketing manager stated:

“Yes, there are industry norms to follow with companies such as Foma, Colgate, soap industries and others. For example, you should be registered with Tanzania Food and Drugs Authority (TFDA), get approval from Tanzania Bureau of Standards (TBS), disengage in selling expired goods, practice CSR and pay tax.” Marketing Manager: Pharmaceutical Company.

Companies in the banking and financial institutions follow the Equator Principles on financial management sustainability in complying with one of the CSR aspects, that is, environmental financial risks. Additionally, the CSR manager explained that the mobile company adopted the local environmental management council norms. Apart from other ad-hoc events and accomplishments, the company abides to environmental conservation issues.

The corporate and marketing manager of a bank and the CSR manager of a telecommunication company stated, respectively:

“We follow Equator Principles which emphasise the environmental risk management. It covers all financial institutions. The environment is basically about the sustainability of the financial institutions.” Corporate and Marketing Brand Manager: Bank CC.

“From the broader perspective of CSR we follow the NEMC guidelines. If you are talking about social investment, these are issues in CSR that have an impact assessment that we have to comply to.” CSR Manager: Mobile Telecommunication Company.

6.2.2.4 Influence of NGOs

NGOs are pressure groups that shape and coerce companies' practices with different spheres of influence such as dialogue, mobilising the population to boycott a company's activities, and sometimes they play a part in litigation matters (King and McDonnell, 2012). As the literature suggests, NGOs have a duty to work for and represent the communities while they aim to influence decision makers and companies to be represented without becoming part of the government (Michael, 2003; Bebbington, 2004; King and McDonnell, 2012). Thus, they are considered vital in ensuring that companies adopt practices such as that of community involvement in the form of CSR in Tanzania. Besides being the recipients of CSR from companies, NGOs are the watchdogs who keep the systems and checks in balance (King and McDonnell, 2012). The community relationship manager argued:

“Some NGOs are the watchdogs and they keep the system in check and advocate many things. Their advocacy work is good, but once they reprimand for something we suggest they bring alternative solutions. Other NGOs are noise makers without any contributions.” Community Relations and Development Manager: Gold Mining Company.

Additionally, NGOs influence is felt mostly through partnerships with companies in various programmes (King and McDonnell, 2012) including health, education, advocacy, economic empowerment and environment protection. NGOs are involved with programmes that require funds to undertake. Partnering with companies is meant to increase their financial

muscle or to lessen the burden that would have been borne by them alone. To support the partnership relationship, the bank marketing manager and the bank citizenship manager stated respectively:

“We have partnered with the African Medical Research Foundation (AMREF) in health initiatives. Also, we partnered with Tanzania Education Authority (TEA) to improve learning facilities and with Medical Research Institutes on sickle-cell projects. We have partnered with the Association of Private Health Facilities in Tanzania (APHFTA) as well. Last year, we co-sponsored the Annual summit for improving health care provisions.” Bank Marketing Manager: Bank AA.

“All organizations we support and expect to support generally engaged in youth trainings. Most youths have benefited from Tanzania Youth Alliance (TAYOA) where mostly we sponsor the empowerment projects. We also partner with the Envirocare and support in their waste income generating activities. They collect waste and make charcoal out of it and sell to customers. They also produce mushroom, cooking utensils to generate income and at the same time cleaning the environment.” Citizenship Manager: Bank BB.

Apart from coercing companies, NGOs are actively involved in contributing to the societies they serve in the form of volunteerism. NGO officers devote their time and educational skills in imparting knowledge to society members on various issues (Caligiuri et al., 2013). The sales, marketing and business development manager stated:

“They are not visible like the government is advocating CSR. You can see their presence and actively participating through volunteerism. The NGOs also encourage the government to take actions and engage in CSR.” Sales, Marketing and Business Development Manager: Gas Production Company.

Despite the fact that NGOs influence companies' CSR practices, they are also the recipients of CSR donations from companies (Hasmath and Hsu, 2014); a situation which may impede their advocacy and/or watchdog role for the communities they represent. The CSR manager stated that NGOs request contributions from companies to run their day-to-day operations. The manager stated:

“Most of the time the NGOs dealing with education and health have been coming to us to ask for our support whenever they have certain projects. We normally support and work with them.” CSR Manager: Cement Manufacturing Company.

6.2.2.6 Influence of Regulatory Bodies

Companies are also subject to the neo-institutional theory due to the pressure of influence of regulatory bodies working on behalf of the government (DiMaggio and Powell, 1983; Guay et al., 2004; Campbell, 2006; Beddewela and Herzig, 2013). The regulatory bodies are responsible for day-to-day supervision of the companies under them. In Tanzania, various regulatory bodies have been put in place to look after environmental issues, audit the conduct of mining companies, and look at investment concessions and supervision. The company managers are then required to follow the regulatory bodies' guidelines, directives and hold dialogue with companies to enforce them to become more compliant in practising CSR (Campbell, 2007). The regulatory bodies provide directives and thereafter conduct an audit or inspection in accordance with coercive isomorphism (Liang et al., 2007) to determine if the directives are followed or not. Managers explained that their companies follow the directives, especially those directed at environmental conservation, as they are scrutinised by the agency responsible for environmental matters. The agency is influential in ensuring companies do not pollute the environment. The CSR manager stated:

“There are certain amounts of emission of dust that you are not supposed to exceed. If you exceed my dear, you are in trouble. They are very effective these days and if they give you directives they allow a certain period of time to accomplish them and later on they will come to audit. If you are non-compliant; you will be fined and they can even close your plant.” CSR Manager: Cement Manufacturing Company.

Furthermore, the sales, marketing and business development manager clarified that if they are not compliant with directives as well as the standards, they face punishments. However, complying with directives is subject to sanctions made between the agency and the company through dialogue. The manager stated:

“They are active and they are influential. NEMC comes in to ensure we follow international standards (ISO) and don't spill limestone. We have a positive relationship and we normally convene meetings to ensure that regulations are followed.” Sales, Marketing and Business Development Manager: Gas Manufacturing Company.

In line with coercive pressures, regulatory bodies monitor and issue certificates of approval relating to the environmental impact assessment for compliant companies (Campbell, 2006). The regulatory agency in environmental matters supervises and issues approval through a compliance certificate as a go ahead for the company's operations. This is a procedure that is followed by all MNEs and local companies investing in Tanzania. There are officers in regions and districts where most of the activities of mining, oil and gas, and manufacturing and processing companies are located. One of the key functions of officers is to monitor the conduct of companies and then provide reports to the head office for further action. By doing so, they are being compliant with coercive isomorphism. The manager said:

"You cannot start operations in the country without approval of NEMC. You must have an environment impact assessment (EIA) on hand before and during operations. To ensure directives are followed, they hire consultants who go to the field and see if the operations are compliant with EIA. Also, there are environmental officers in districts who write to NEMC about the conduct of the company. We comply and discuss the reports before they take action." Director of Operations: Oil and Gas Company.

The advisory and negotiation roles have always ended up with companies complying with CSR practices (Campbell, 2007). The regulatory agencies encourage companies to provide education to their stakeholders and offer opportunities for meeting with companies to ensure mutual understanding. This nurtures a mutual relationship between companies and agencies at least to create awareness and sharing of experiences towards sustaining communities. In responding to the advisory roles the community relations and development manager and marketing manager stated respectively:

"Many bodies like Occupation, Social and Health Authority (OSHA) and NEMC have a regulatory role. They also do play an advisory role, which is a good thing and they are helpful. For example the role of NEMC is to ensure that there is no environmental damage and pollution in accordance with the law." Community Relations and Development Manager: Gold Mining Company.

"The influence we feel from TFDA is all about giving education to our customers on the features and benefits of how they should use the brand." Marketing Manager: Pharmaceutical Company.

6.2.3 Influence of Beneficiary Groups (Community Members)

This sub-section answers the question: Why companies are influenced by beneficiary groups to practise CSR?

The beneficiary groups also influence companies to undertake CSR through coercive means (DiMaggio and Powell, 1983; Campbell, 2006). Coercive isomorphism is exercised when beneficiary communities interact and demand companies to provide CSR contributions through organized requests involving meetings, individuals and representatives from local leaders, customers, local government and members of parliament. The beneficiary groups are also vocal in raising the alarm to companies about their rights. This is in line with coercive pressures exerted by community members (Radaeli, 2000; Christmann, 2004). In support of this view; the following was stated by participants:

“When we provide a support to a community, we call the authorities and the villagers around. Those are the beneficiary who raises the alarm and say you have supported us building a classroom, but we still need a health centre, water, and so forth. If you support them today, tomorrow they will request another one. They don’t come as individuals, but send their representatives. After receiving the formal requests in writings; we sit down and analyse what we can support. Sometimes we visit the places to determine the situation and collect evidence before incurring the money.”
CSR Manager: Cement Manufacturing Company.

“Yes. Beneficiaries influence us. When they raise the need of support they conduct meetings, and their meeting outputs are sent to us. We are normally invited and in the meetings they raise issues and we tell them the ways that we have to support them.” Director of Operations: Oil and Gas Company.

Consistent with Radaeli (2000) and Christmann (2004) the manager stated that from the community, the group which is active in demanding CSR practices is the customer. Companies are influenced by customers to practice CSR with them demanding to buy products from companies who engage in CSR activities. The marketing manager stated:

“Customers are the core pillars of any business and they are so emotional in making purchasing decisions. The customers are interested with the product whose company practises CSR. CSR is a stimulus to attract customers’ attention to the product. There is an indirect relationship between the customers and providing CSR. Selling

is not only providing a product to a customer, but also considering consumer insights for the product improvement.'' Marketing Manager: Pharmaceutical Company.

Further evidence of coercive pressure is exercised by the community members (Campbell, 2007) through initiation of the meetings with company management and by other communication means such as application letters and discussions, and local leaderships are linked to being aware of many things including CSR and other rights. The community relations manager indicated:

''The communities are not of the past that did not voice against the companies. The current communities are vocal and are aware of many things. The community will invite you to attend their meetings and say this is what we need. There are also District Executive Directors (DED), Member of Parliaments (MPs) and Ward Councillors (WC). There is a long list of voices from the communities. So, companies should give more to empower them to solve life challenges themselves.'' Community Relations and Development Manager: Gold Mining Company.

Sometimes, forums and consultations are convened and an agreement is reached on what kind of CSR should go to the community. These forums help to establish the most important thing needed by recipients compared to where contributions are initiated by companies. The marketing manager stated:

''We have the open door policy for the community come to us whenever they have an issue. Requests for support are directly through headquarters and our branches. We have also client advisors who on seeing support opportunities come and tell us. The decisions are made by both bank and the community.'' Bank Marketing Manager: Bank AA.

One manager highlighted that before they undertake any CSR activities they always contact the community members through their representative to allow them to suggest what they want. The sales, marketing and business development manager explained:

''Consultation with the community regarding what they want is made. In other words, all the supports are normally initiated by the community members themselves.'' Sales, Marketing and Business Development Manager: Gas Production Company.

Nonetheless, managers of two banks and a mobile company argued that there are no any influences of coercion from community members in CSR because their decisions are made

solely through their management. Whatever decisions are made by the companies are implemented within the community. Depending on circumstances, the community accepts all contributions coming to them even if they were not involved in influencing them. The statements of three managers are outlined respectively:

“We have not felt any direct influence from youth groups.” Citizenship Manager: Bank BB.

“There is no influence from the beneficiaries group; the CSR programmes are our bank’s own initiatives.” Corporate and Marketing Brand Manager: Bank CC.

“We cannot do what every group of stakeholders wants. We are few of those participating in CSR; there is always a need to do what you are obligated to do. It is not easy to say that what we do is influenced by them.” CSR Manager: Mobile Telecommunication Company.

6.3 What are the Roles of Institutions and Beneficiary Communities in Promoting CSR Practices in Tanzania?

The study determined the roles of institutions in Tanzania in stimulating companies to be more willing to participate in CSR practices. The question: What are the roles of institutions and beneficiary communities in promoting CSR practices in Tanzania was raised and thus analysed in this section. This section details how the government, NGOs and community members play roles in ensuring the maximum benefits of CSR are achieved. The roles of institutions are discussed in terms of incentives, rewards and punishments for abiding by and violating companies as well as the awareness of CSR during their registration process. In addition, the roles of community members and how they influence company managers through interactions in meetings, written messages and other means of communication is analysed.

6.3.1 The Roles Played by Government and its Agencies

These institutions are those directly working under the government of URT as purely government offices and/or the autonomous agencies working and reporting to the government. The government and its agencies cover the roles in terms of incentives to

encourage companies, the directives, dialogue with companies, and the awareness during registration and operations, the actions taken and whether the actions are helpful to deter bad practices by companies. Additionally, the role played by government can be realized through the documenting of CSR information in official documents as discovered from documentary analysis.

6.3.1.1 The role of providing incentives to encourage companies to be more compliant

The government discourages giving incentives to companies with the intention to practice CSR. The officers feel that the incentives issue is dependent on policy formulation. As long as there are no such policies the government cannot indulge in incentives. As long as there are no are policies guiding CSR, the incentive is not given a priority but rather companies are expected to participate in CSR of their own accord. To support the arguments, the principal officer from the ministry stated:

“The government doesn’t give incentives, and we actually discourage incentives, but CSR helps companies to get the social licence to operate. And the social licence is something the company has to get from the community and not being imposed to them. It is the companies’ responsibility to ensure their presence are felt and accepted by the community.” Government Officer 1: Ministry XYZ.

The manager of the audit agency explained that decisions related to incentives have to be made by the minister of energy and minerals. The agency is limited to auditing and thereafter issuance of the results to higher authorities. Thus, it cannot be involved with giving incentives as that is outside their domain of operations. The agency provides an advisory role only to the ministry. He stated:

““Giving incentives to the companies are a policy issue. The policy issues rely upon the minister to make decisions. Our office has advisory roles to the higher authorities and our duty is to audit; and auditing has to ensure that there are compliance and issue of advice thereafter.” Manager Planning and Research Development: Government Agency 1.

On the other hand, the only form of incentive that encourages companies to participate in CSR is that they get tax exemption (Galaskiewicz, 1997). The government office responsible

for registration and promotion investment in Tanzania viewed that companies get tax exemptions on capital intensive expenditure when they invest in Tanzania. The public relations officers of the agency dealing with investment matters stated:

“We have no laws, and CSR is not mandatory. Companies do it on their own will. Generally, we give incentives to investors in terms of tax exemptions in the first years of their operations. Investors spend huge sums on capital intensive equipment and machinery. They are tax exempt to encourage their fully operations.” Public Relations Manager: Government Agency 2.

6.3.1.2 Directives from the Ministries and Agencies

As a mechanism of neo-institutional theory, the directives from government and agencies (Campbell, 2006; Babiak and Trendafilova, 2011) are connected to the mining and oil and gas guidelines developed to give guidance on the need for companies to consider communities through CSR in their operations. The guidelines’ emphasis is on caring about social, economic and environmental matters for the communities. The guidelines give the directions on what companies are expected to do without conditions as CSR is not mandated. The regulatory agencies also share the guidelines with companies for the mutual benefit of the parties. Upon agreeing with guidelines, they become directives, subject to implementation by companies (Campbell, 2006). From time to time the agency makes a follow-up on whether they are being implemented or not. The government officer stated that:

“Yeah, at the Ministry we have the natural gas policy 2014 which gives policy guidance on how CSR should be undertaken in the areas concerned.” Government Officer 1: Ministry XYZM.

Similar views were provided by the government agency’s officer for having directives given to the companies to guide them in their operations. However, the agency ensures that there are consensus and agreement made about the contents which then become binding during their operations. The officer stated:

“Yes, there are many directives given by this institution. The directives are then shared between NEMC and companies. On agreeing the contents, the directives become legally binding, although we know CSR is not mandatory. We give them certificates of compliance and if the company indicates that it will participate in CSR,

then it will be subjected to audit.'' Principal Environmental Management Officer (EMO): Government Agency 3.

However, the guidelines have not been formulated to consider other sectors yet. Once all sectors are aware of the guidelines, this will establish equal opportunities for companies' participation in CSR, albeit, on different levels. The guidelines would also consider wider stakeholder participation and engagement. The government officer stated:

''We expect to have guidelines and all companies will follow them when investing in the country. The guidelines are formulated in consultation with local authority leaders and the communities where discussion and agreement on the relevant CSR activities is made.'' Public Relations Manager: Government Agency 2.

6.3.1.3 Dialogue with Companies

Dialogue is also useful in influencing companies to participate in CSR, especially where laws regarding CSR are still lacking (Campbell, 2006). The participants provided their views, and suggested that dialogue is provided on a limited scale since such a thing is new and probably will become the norm in the near future. Dialogue takes place in the course of investing in the oil and gas sector no matter how long the investments last. The government officer argued:

''When the companies come to invest in Tanzania in oil and gas; they are expected to participate in CSR. Even if they are doing a project of three months they have to leave something behind in form of CSR.'' Government Officer 1: Ministry XYZM.

The government officer responsible for oil and gas in the ministry was probed further to explain such participation in the dialogue while the sector is still immature. His explanation indicated that the gas sector has been in operation for a decade now compared to the oil sector, which, is still in the initial stages of exploration. He stated:

''The oil and gas sector is not mature yet, but we had the activities since 2004 when we started producing gas. The company operating in Lindi region offers scholarships to secondary school students in that region.'' Government Officer 1: Ministry XYZM.

6.3.1.4 Awareness during registration and operations

Some form of awareness which corresponds to coercive pressures of neo-institutional theory (DiMaggio and Powell, 1983; North, 1995) were raised about CSR during the registration process of both MNEs and local companies. The agency responsible for environmental matters is tasked with the duty of issuance of guidelines regarding the need for companies to protect the environment. The influences becomes apparent when the agency issues an environment permit as a go ahead for operations, whereas non-compliance becomes punishable (Christmann, 2004). The government officer stated:

“We give them guidelines on environmental matters during registration. But they should get other permits from other institutions. For example, a constructing company must get the license from the industry regulating body. But their permits don’t give investors the rights to undertake the production unless the environmental permits are granted from us. The environmental permit has a ruling thumb and will be the final over other permits.” Principal EMO: Government Agency 3.

However, normative influences are evidenced from mining companies using the Mining Development Agreements (MDAs) which specifies the role of companies through CSR. With these agreements companies are made aware that CSR is part of what they have to do (Campbell, 2006). The manager of the government agency concerned with mining activities explained that the awareness is raised during discussions and agreement on implementing CSR activities in their operations. He stated that:

“The mining companies have (MDAs) which contain clauses on CSR. We agree with companies to follow those clauses on what companies’ will do. We then enforce on the implementation of the contents of the clauses.” Manager Planning and Research Development: Government Agency 1.

6.3.1.5 Actions taken against violating companies

The question was intended to establish whether or not the government institutions take action against violating companies as there are actions to be taken against violating companies (Frumkin and Galaskiewicz, 2004). Sometimes companies are found guilty of violating social and environmental issues intentionally or otherwise. The government, through its

institutions, abides with coercive isomorphism of the neo-institutional theory (DiMaggio and Powell, 1983; North, 1995), imposes fines and penalties and sometimes halts the operations of the companies in question. The agency's officer stated:

"From the environment act 2004, there is a provision which requires a person polluting the environment to pay fees and spend money to rejuvenate the environment (technically called polluter based principle). The company should rejuvenate the environment so that it will not cause any side effects. Those who comply we award them through the CSR Presidential awards for environment conservation." Principal EMO: Government Agency 3.

A probe question was raised to the principal environmental officer to give examples of fines, closing the operations or the reprimands imposed upon companies. The officer responded that there are various actions where the intention is to deter companies from those violations (Frumkin and Galaskiewicz, 2004). He stated:

"Some companies have been ordered to close their operations because they are polluting the environment in which community resides. Last month, a company polluted the environment by producing excessive dust and its production has been suspended. Yesterday, another company in gold mining was stopped to produce because of polluting the environment. Two other industries have faced the same sanctions in Morogoro region." Principal EMO: Government Agency 3.

Similarly, the government agency's officer responsible for auditing of mining operations responded that they have a duty to audit and are guided by other agencies to which reports are forwarded regarding further stringent action to be taken against violating companies. He commented:

"Yes, we have got this work of auditing, but the Tanzania Revenue Authority (TRA) and NEMC have the powers to sue. We have a memorandum of understanding with them and our audit reports are referred to them. TRA and NEMC take stringent actions against law violating companies. More than twice NEMC has punished and fined heavily the mining companies." Manager Planning and Research Development: Government Agency 1.

6.3.1.6 Implications of the actions to help companies refrain from unwanted practices

After establishing that there are stringent fines and penalties for companies not complying with the rules and regulations; it was important to establish whether or not these actions help companies refrain from carrying out previous bad and unwanted practices. The analysis of data reveals that the punishment mechanisms imposed on companies led them to refrain from continuing with previous bad practice. The officer declared that companies abandon their previous practices as the punishments normally result in destroying the relations between companies and the government and the communities in which companies are located and operate. He stated:

“To the largest extent they refrain and comply with the acceptable standards after which we give them go ahead. Heavy punishments are imposed upon defaulters.”
Principal EMO: Government Agency 3.

A probe question was raised to understand whether the halting of operations is temporary or indefinite. The officer explained that companies involved in the violations have all been compliant and pleaded guilty. The companies’ mistakes are not beyond repair and halting operations is normally temporary and no instances have led to permanent closure. The officer stated:

“Normally for production industries we halt the operations until when the anomaly is rectified. There are no instances where the closure has been indefinite. Closing the industry implies that it has problems that cannot be corrected, something which is difficult to experience.” Principal EMO: Government Agency 3.

However, if the violations are repeatedly carried out there is a chance that a company will be closed indefinitely. Closing the company is authorized by the minister, but this is preceded by revoking the licence to operate. The punishments imposed have been used as a deterrent to other companies in the industry or across industries. The planning and development manager of the audit agency stated:

“Yes, if the fault is done twice or more, the company will be closed. This is under the decision of the minister. The policy provides that if you are fined first, second, the third time will call for stopping or revoking the licence. Thus the company is ordered to pack things and go. The fines are not a good thing for a company, and it gives a signal to other players in the market to take cautions not to misbehave.” Manager Planning and Research Development: Government Agency 1.

6.3.1.7 The role played by the Government in documenting CSR

The analysis of the document review indicated that the government has taken steps to document CSR as an important accomplishment by companies. CSR has started to be recorded in official documents and laws and regulations. Guidelines concerning mining and the oil and gas sectors have stipulated, among other things, the need for companies, although on a voluntary basis, to take into consideration the communities surrounding the areas of operations. Two policy guidelines in the oil and gas and mining sectors were found to be directly and appropriately impacting positively on CSR. According to URT (2013:7) the natural gas policy of Tanzania specific objective para 2.4.2 (viii) states that, “to substantially improve CSR in communities neighbouring natural gas facilities and operations”. With this objective, the policy statement further states that, “the government shall: (i) ensure that there is no contractual obligation to all investors and contractors in the natural gas activities to undertake locally prioritized community development programmes; and (ii) ensure companies in the natural gas industry submit credible CSR action plans to the appropriate authority”. The mining sector guidelines were also relevant in documenting the need to actively participate in encouraging CSR in Tanzania. According to URT (2009:9) the mineral policy intends “to strengthen the involvement of and participation of local communities in mining projects and encourage mining companies to increase CSR”. The mineral policy further states that companies may contribute to the surrounding communities through CSR to ensure sustainability of their operations. The policy statements (URT, 2009:18) state that “(i) the government will require mining companies to implement credible CSR policies. And, (ii) the government will encourage mining companies to involve local communities in setting priorities for community development projects and socioeconomic aspects during the life span of their projects”.

6.3.2 The Roles played by NGOs in CSR

NGOs as institutions and watchdogs for communities are another source of influences on MNEs and local counterparts in practising CSR for the wellbeing of the society surrounding their operations (Arenas et al., 2009). These roles are described in the form of incentives to

encourage companies, the dialogue, the actions and whether or not the actions are helpful to deter violating companies from their previous bad practices.

6.3.2.1 Incentives to encourage companies to participate in CSR

NGOs offer incentives through involving other stakeholders to allow peers to mimic their practices (DiMaggio and Powell, 1983; Guay et al., 2004; Campbell, 2006) to participate in CSR contributions, especially those directed at health services. The NGO in the health sector developed a system which has been sub-contracted and adopted by a public institution. The NGO manager supported the statements by stating that:

“We involve other stakeholders so that they can appreciate what we do. We participate in charities, eyesight, health scans, test HIV/AIDS, diabetes, and blood pressure for free. The National Social Security Fund (NSSF) adopted our system and implemented it in its programmes.” Project Manager: NGO 1.

Similarly, mimetic influence occurs due to NGOs involvement in rewarding mechanisms to inspire and inform others to get involved in joint efforts and be responsible. The initiative to provide rewards to companies that do well in CSR is a big incentive leading to an increase in the scope of participation by many companies. The NGO community relations manager stated:

“We reward the company which does well in CSR. This year (2015) we are going to reward best journalist who has written many articles on environmental issues. We have corporate award, which goes to the best overall company. Unfortunately, three years ago no company won it based on our strict assessment criteria. We want companies to preserve, protect and observe human and labour rights, fight corruption, and stop land grabbing.” Community Relationship Manager: NGO 2.

6.3.2.2 Dialogue with companies on CSR matters

Stakeholder dialogue with companies is inevitable to inform what is going on in the environment in which they operate and bring a consensus between antagonistic parties (Campbell, 2006). As stakeholders, NGOs convene advocacy campaigns in the areas of their specialization (van Tuijl, 1999; Radaelli, 2000) to discuss issues with community members.

The manager from the human rights department explained that companies interact with NGOs through the sharing of research findings on the environment, human rights, labour rights and ethics in general. She stated:

“We call upon the companies to discuss the research findings with them. We actually plan to have a roundtable discussion with companies. We are in discussion with the Tanzania Private Sector Foundation (TPSF) and corporations for wider participation. We use research results to guide companies and if they are not in the meeting we expose the findings in the media.” Community Relationship Manager: NGO 2.

6.3.2.3 Actions taken against violating companies

NGOs, like the regulatory agencies, also take action against violating companies through their advocacy campaigns to resolve misunderstandings between stakeholders (Arenas et al., 2009). The coercive isomorphism of NGOs for CSR practices comes from their legal action against non-compliant companies (Arenas et al., 2009). Legal and human rights NGOs file cases in the courts against companies' misuse of the environment and abuse of human, labour and compensation rights. NGOs have also been defending for free cases in the courts on behalf of community members whose rights are denied by the companies. In supporting the disputes, the manager validated:

“One gold company was involved in many violations to surrounding communities and we filed a case in the local courts but it didn't work. We transferred the case to London and the court found it guilty and was fined. Still, we have many cases filed against companies' misbehaviours, environment pollution and land grabbing. There is a Nyamuma case in which peoples' land was taken out for a game reserve without compensations. We won the case and the land was retained. Recently, is Magamba case where investor grabbed land from the small scale miners; we defended them and won.” Community Relationship Manager: NGO 2.

NGOs are also involved in resolving conflicts that ensue between governments and companies, and companies and community members. NGOs normally work in consultation with the government on issues related to private health sectors in general as an action to end conflicts. She stated that:

“There are many instances; we stand as an umbrella organization for the private hospitals. We advocate for the private health sector on quality and inspection and have advised the government not to close private hospitals once they find anomalies. Nowadays we collaborate with government in inspecting the private health facilities. If there is a problem we discuss and agree to allow the hospital to operate while amending the shortcomings.” Project Manager: NGO 1.

However, depending on the nature of the NGO and the sector in which it is located, it is unusual to see other NGOs participate in taking actions against violating companies. The manager of an NGO stated that they play a part through educating community members on various rights and CSR generally. He stated:

“Unfortunately, we don’t have the power to sue them. But we have a power to educate them on their rights and make them speak on their own behalf. We call upon companies violating the rights of citizens to stop operating in those parameters.” Public Relations Manager: NGO 3.

6.3.2.4 Are the actions helpful to refrain from bad practices?

NGOs alluded that the actions taken against violating companies are correct in shaping the conduct of the companies and deter them from previous behaviours. The punishments, including court rulings and fines, are incentives for good behaviour. The legal and human rights NGO is actively involved in legal actions. The community relations manager stated:

“I think they behave; because they have given out huge amount of money. There are still challenges in Tanzania because the court system is slow and companies have a lot of money. When you take a case to court of law, it is really difficult to get through. Some companies are being charged meagre amounts and they don’t bother as long as they have taken hundreds of hectares of land.” Community Relationship Manager: NGO 2.

6.3.3 The Roles Played by Beneficiary Groups [Community Members]

Community groups bring another perspective of CSR which cannot be obtained from the perspective of company managers, government and NGOs. Essentially, full participation of communities implies that decision makers (government, corporations, NGOs) and company managers take concerns for their well-being into consideration through practising CSR. Some communities have a limited series of forums to air their grievances and/or provide useful suggestions to companies. Convening meetings with community members and other stakeholders (i.e. Companies, government, agencies and NGO officers), are central to the welfare of all parties. When such gatherings are undertaken, their resolutions become a backbone in accomplishing CSR practices (Brammer et al., 2012). Through this, a consensus is reached to reduce any misunderstandings. However, there is a huge communication barrier between companies, NGOs and government officers and community members.

6.3.3.1 Stakeholder meetings with companies, government and communities on CSR

Stakeholder meetings and written messages rarely take place for members of communities, though they are used to coerce companies to practice CSR (Campbell, 2006; 2007). There is no agreement on how to utilise CSR and community members blame the government and companies for a failure to compromise on priorities. (LK) female, aged 45 years; stated:

“The meetings are confined within the council’s premises involving the company and the community members. No emphasis on ensuring contributions go directly to the intended community. The money that goes directly to councils has no direct benefit to this ward where the gold mine is located. We should have benefited before other wards and villages.” (Response of first focus group: Gold mining).

In addition, the promised CSR contributions take too long to be realized by needy communities. Accordingly; the village chairman, and a male aged 41 years stated:

“They come and we discuss issues in the meeting and we tell them our demands. They write promise to forward to MDs for action. If this happened in February, you will hear it again in February next year. Recently we requested roofing material for school buildings. They promised to contribute 150 iron sheets; but till the moment we haven’t received them.” (Response of focus group 1: Gold mining).

Another participant stated that the administrative hierarchy denies them the right to take part in the forums. For effective communication with people at grassroots level, the government should start meeting with stakeholders in those areas and move upwards to the district, regional and national levels. He also insisted the local government call annual general meetings to discuss development issues, especially those linked to important services complemented by CSR. RM, a young male stated:

“Based on the government administrative structure; we have DC, DED, WC, WEO, Village executive officer (VEO) and street administrators. For the government to be aware of what people are in need should be initiated from the lower level. We need general meetings with the gold mine so that we can sort out social and development issues facing us.” (Response of group 2: gold mining).

Efforts to interact with many stakeholders in order to hold dialogue fail due to leadership challenges at all administrative levels, including the parliament of Tanzania. When communities are ready and willing to provide their opinions on how best to handle CSR, the government has failed to play its part. A participating member had personally visited central and local government at the district level to ask them to allow community members to meet the inspection team from the parliament of Tanzania. RM, a young male stated:

“Last year the Parliament committee of URT for environment visited this locality. Instead of making environment inspection and report to the Speaker of the Parliament; they ended up inspecting the headquarters and machineries of the mining company only. Community members were not involved because the process was manoeuvred by the DC. I personally requested without success the DC and DED to ask the inspection team to come and see what is actually happening on the ground. Yet they go to press and report how the investor takes care of the environment. So you see, if the inspection committee had come to people they would have been well informed.” (Response of group 2: gold mining).

Similar opinions were provided by members of the mining and oil and gas sectors. The participants explained that local leaders don't attend the meetings with community members in the local areas where companies operate. Even on occasions where top officers from the government have arranged to meet people and leaders; they simply do not turn up. The local community chairman, adult male stated:

“One day the resident commissioner for minerals informed us that he will come to meet people of this locality. As leaders we invited the people and they attended. We waited there for many hours. Unfortunately he went to the gold mine offices and later on left without having met the people as promised before. Nowadays government officers from the ministry visit the mine and go back without meeting people to see how we are treated by our neighbour; the gold mine.” (Response of group 1: gold mining).

A member of the oil and gas sector stated that they have had no meetings with investors and/or government with the intention of forging relationships for the sake of stakeholders’ wellbeing. Mr. MSW, an adult, stated:

“We haven’t convened any meetings. We have many problems, as if the gas and other resources are not coming from our region.” (Response of group 4: Oil and Gas).

Apart from a lack of meetings with companies, government officers and community members, the communities in which mining and oil and gas operate face communication setbacks. This is due to a lack of response in regard to applications they send to companies requesting some contributions towards the society. More often than not, most of the applications are unsuccessful. According to the ward executive officers, many applications have been sent and continue to be sent, but few of them have been successful. The views from another FGD is provided by OM, male and adult. He was concerned with a communication breakdown between companies’ employees and the people around the company. He warned that, having no interaction creates a sort of hatred among the stakeholders. The following are the responses from two focus groups. Mr. OM, an adult Mr. M, WEO and adult stated:

“In general, there are no such meetings and that is why I am saying that communication from government to the community is closed. We have tried to organize meetings and have ended in vain. I talked to community officer to ask the company assist us in sports and he told me to discuss the issue with the DC. Channelling all applications to DC is also not appropriate because he is a human with sentiments and reprisals. We would like our officers make everything transparently for the benefit of communities around. If this does not change the level of hate between communities and two mining companies will continue to rise.” (Response of group 3: gold mining).

“It is true; we experience difficulties when we approach managers for assistances. You can write an application letter stating your society needs, but at the end of the day no feedback is provided. Recently, we had many projects for schools and laboratory. We requested stakeholders for assistances by sending letters to them to complement citizens’ contributions. As well, we made application through the DC, and one company has assisted us building two classrooms and a staff room.” (Response of group 4: Oil and Gas).

6.3.3.2 Previous agreements not accomplished

The analysis of data shows that even if there is a communication breakdown between companies and community members, there are few promises from companies which are either delayed or not accomplished at all despite frequent follow-ups. The government officers prevent the communities from discussing CSR projects in their areas. Communities surrounding mining companies plan and forward their requests to the local government for funding. Due to lack of funds, the projects remain uncompleted. It had been their expectation that the gold mine would provide the funds for the implementation of these projects or constructs the projects and hand them over to the community members as CSR in the local areas. CN, a male, aged 36 years, argued that:

“At the village office, we plan projects and write to the council for implementation each and every year, but nothing comes out.” (Response of group 1: gold mining).

To indicate that there are previous agreements with companies on projects which are not fulfilled, PM the village chairman, male and aged 41 years; stated:

“Yes, we do have such committees. Some people in this gathering are in the follow-up committee members. A day before yesterday we were there to make a follow-up on the 150 iron sheets they promised. After having gone into several communications with gold mine officers, we were told that endorsement is about to be made for the iron sheets.” (Response of group 1: gold mining).

There was another agreed project, which to date had not been fulfilled, according to a group member the project was intended for the youth empowerment through loans. The participant blamed local government leadership for the failure to initiate the project even though the funds were issued by the mining company. CN, male aged 36 years argued:

“I am a chairman of the youth group in the village. One day we went to a seminar which was organized by the community relations officer. The seminar concluded that youth will be empowered through loans. It is now three years since the seminar and we have not been empowered. The fund was released but did not reach the beneficiaries.” (Response of group 1: gold mining).

Furthermore, another member provided similar arguments regarding previous unaccomplished requests. RM, a young male stated:

“In 2011, I was a secretary of the locality; we wrote and forwarded many applications request company build for us primary school, marketplace, roads refurbishments, health centre, dispensary and a local government office in our locality. The requests have not been supplied yet.” (Response of group 2: gold mining).

When responding to a probe as to whether community requests are followed up by reminders; RM, a young male claimed:

“They haven’t responded to any of the letters. Every time we put our requests in writing and deliver it to the company, but they don’t fulfil their promises. The company brought the suggestion box for people to write complaints about negative impacts of mining operations. We have complained a lot, but they don’t collect the complaints.” (Response of group 2: gold mining).

6.3.3.3 NGOs involvement with communities on CSR

To determine a coercive mechanism of neo-institutional theory (DiMaggio and Powell, 1983), the study was interested in understanding how NGOs as a third sector are involved in the processes of being voices for the community against companies’ non-compliance with CSR. Occasionally, NGOs participate in the coercion of companies by making communities become aware of what CSR is and their rights from companies and the relationship that should transpire between companies and people around mining operations. Participants agreed that they participated in the NGOs awareness programmes on investor and community relations. According to AGA, female and adult:

“One NGOs called HakiMadini (justice for minerals) gave us a short awareness course on how we are supposed to be compensated. Entrepreneurs from nearby areas went to Arusha for training on the NGOs expenses. We thank God they are trying

their level best to ensure people around mines know about their rights and obligations towards investor companies.” (Response of group 2: gold mining).

The views from another group indicate that NGOs and even government agencies have been there to provide training and health check-up for free. While this is a recommendable thing, they could not provide feedback or come back again to undertake the same role. Mr. SM, an adult stated:

“We have seen officers from the OSHA come in the mine where I worked and did the check-up of all mine employees’ health status. However, the check-ups results have not been provided yet.” (Response of group 3: gold mining).

Despite imposing coercion on companies, other NGOs don’t act on the information provided by the communities, even if they are contacted or come to give training on CSR through awareness campaigns. An FGD member explained that NGOs don’t give feedback on the usefulness of information supplied to them and no way forward is suggested. AGA, adult female stated:

“Yes, you give them information they don’t work upon it. We don’t even get the feedback of what was agreed upon. People are caught and broken their legs while others are imprisoned because of just trespassing the mine. The human rights NGOs come and make follow-ups, but nothing turns out to be good. They just want to be seen in the media trying to task companies but nothing really happens. They come here with tight timetables to tell you they have no money to make follow-ups.” (Response of group 2: gold mining).

6.4 Summary of the Chapter

This chapter has analysed and explained the second and third research questions from responses provided by participants. It has indicated the relevancy of the varying roles and the influencing mechanisms on how companies adopt and practice CSR. The chapter has provided participants views on the motivations behind companies' involvement in CSR. To understand the motivations; company managers, government officers and NGOs were interacted with to obtain the information related to this phenomenon. Furthermore, the roles played by the three types of participants of the government and its agencies, NGOs and beneficiary communities were explained. Essentially, the responses were presented in a condensed format that has led to a discussion of the findings and/or interpretations in the next chapter.

CHAPTER 7

DISCUSSION

7.1 Introduction

The previous chapters (5 and 6) presented the findings of the empirical study. Chapter seven follows and it provides a discussion of the findings. The findings are discussed in light of the interpretive paradigm. The interpretation focuses on the following three research questions: what are the CSR practices of companies operating in Tanzania and how do beneficiary communities perceive CSR activities? Why companies are motivated to practise CSR in Tanzania? How institutions and beneficiary groups play roles in promoting CSR practices in Tanzania?

This chapter is organized as follows: the next section covers a discussion of the empirical findings of the first research question on the most important activities preferred by companies, the forms of CSR practices and the benefits and/or disadvantages realized by practising CSR. This is followed by a discussion of the perceptions of the relationships between communities and companies through CSR, the benefits and/or disadvantages experienced by communities from companies' CSR and the most important CSR contributions made to communities. Section 7.3 discusses the empirical evidence on the second research question and how it is concerned with motivating factors for CSR. This covers internal and external motivations for companies to practice CSR and why companies are influenced by beneficiary groups. Section 7.4 discusses the institutional influences of CSR by explaining the roles played by government and its agencies, NGOs and beneficiary groups. Thereafter, follows a discussion of neo-institutional theory which guided the study and its limitations in sections 7.5 and 7.6 respectively. Finally, the chapter summary is set out in section 7.7.

7.2 CSR practices in Tanzania. How the beneficiary groups (community members) perceive CSR activities from companies

The first research question addressed CSR practices in Tanzania and how the recipient communities perceive the relationship with companies in terms of CSR. This research question was further split to address the most important activities from the companies' perspectives and the forms of CSR; whether the CSR are emergencies, short term and/or long-term oriented. It also discusses the benefits and/or disadvantages companies obtain when they decide to venture into CSR. The second part addresses the FGDs on the perceptions of the relationship between companies and communities. Furthermore, an explanation of the benefits and/or disadvantages and the important activities required by communities is indicated.

7.2.1 The CSR Practices in Tanzania

This sub-section discusses the CSR practices in the context of Tanzania and it specifically addresses the most important activities of CSR from the companies' point of view, the forms of CSR practices and the benefits and/or disadvantages realized by practising CSR.

7.2.1.1 The Most Important Activities of CSR

Companies' and NGO managers, as well as government officers, mentioned education, health services, environmental conservation, infrastructure, and humanitarian aid as the most important contributions. This finding is also in line with Khan et al. (2009) in Bangladesh who found that stakeholders ranked public health and environmental conservation as the most important aspects. This implies that companies in Tanzania are inclined to participate in solving persistent problems that have been earmarked as acute for the population since the country's independence in 1961. These problems or 'enemies' are poverty, ignorance and diseases. Other important contributions were the empowerment of community members, especially the young and women. This empowerment is also advocated by government officers as it has a long-lasting impact. The empowerment is specifically directed to providing some form of training on income generating activities for the beneficiaries so that

they become knowledgeable and experienced to carry on micro projects. Other managers follow the UNGC items which are concerned with human rights, labour standards, anti-corruption and environmental conservation.

Undoubtedly, the involvement of companies in these practices in Tanzania really corresponds to the types of CSR discussed in the literature on economic, legal, ethical, philanthropy and environmental responsibility (Carroll, 1979, 1991, 1999; Collins, 2012). The findings also elucidate another type of CSR which has not been seen previously and is not highlighted in prior literature: Corporate Social Responsibility and Empowerment (CSRE). CSRE advocates that empowering communities can take various forms such as small start-up capital, training in business knowledge and other education facilities that provide a basis for self-reliance. In other words CSRE provides mechanisms through which recipients are able to run micro businesses, entrepreneurial activities and other services on their own on a continuous basis. Similar findings were obtained by Bihari and Pradhan (2011) in India, where some banks engaged in capacity building and training programmes to empower rural farmers, youth and women in various projects. Stakeholders (companies, government and agencies, NGOs and community) concur with the need to have CSR which is empowerment oriented rather than the conventional CSR in order to boost the status of recipients who believe it is possible through obtaining sustainable contributions.

The findings from the CSR practices elaborated upon above take various forms. CSR activities directed at education focus on providing buildings such as classrooms, toilets, desks and chairs to schools with insufficient facilities. Tanzania, as a developing country, is still facing a shortage of finance to meet the educational facility needs of the growing population. Also, educational assistances are based on scholarships given to pursue undergraduate and postgraduate degrees to merited students. Other CSR contributions are directed at children from poor families who cannot afford secondary school expenses. This finding is consistent with Khan et al. (2009) who found that companies were in CSR relating to scholarships for meritorious students in Bangladesh. In Malaysia, Lu and Castka (2009) and Tang and Li (2009) in China also found companies involved in supporting underprivileged students in the rural areas by sponsoring them in education.

Relating to health services, companies are interested in awareness and campaigns against HIV/AIDS, building dispensaries, hospital equipment, infants and maternity care, and supplying mosquito nets to orphanage centres. All these are meant to provide relief to the communities who cannot afford diagnosis and treatment expenses. Companies also provide expertise as they have qualified people to offer this in the form of volunteers. Mostly, the experts participate in youth and women's programmes through empowerment and skills and knowledge provision related to income generating activities. These projects are normally conducted in partnership with NGOs who also provide expertise on one side, and companies facilitate the training programmes and projects on the other. Tang and Li (2009) and Wang and Chaudhri (2009) found similar findings in China. Their findings showed companies also participated in helping children and youth development in general. In India, companies contributed to rural areas, community welfare and women, youth and children's programmes (Moharana, 2013).

Participating in sports and culture is another area where companies prefer to offer support. These areas are meant to provide entertainment as well as discovering and developing talents to professional levels through sponsorship of various competitions and tournaments. Therefore, through entertainment, talents are developed and income is generated for those who become professional sports people. Virakul et al. (2009) found Thai companies involved in supporting sports, arts and culture among the main activities in their CSR programmes.

7.2.1.2 Forms of CSR Practices in Tanzania

The second sub-question was directed towards the forms of CSR practices and looked at cash, volunteerism, philanthropy, legal, economic donations in kind, capacity building and awareness and whether or not the involvement is for emergencies, long-term or short-term in nature.

7.2.1.2.1 Forms of CSR through cash, volunteerism, philanthropy, legal, economic, donations in kind, capacity building, and awareness

Managers perceived donating through cash as problematic since most of the recipients were deemed untrustworthy. The managers do wish to invest in the community by providing tangible assets such as buildings, iron sheets, timber, beddings and mattresses, boreholes, school desks and medical equipment. The norm is that if a community needs a health facility such as a dispensary or building a classroom or toilets and so; the company constructs these using its resources. The contribution would normally arise after the company had identified a place without such assets or services. They construct it and hand it over to the intended recipients through local leadership, DC, DED or other government officers.

The handing over of projects to government is to simplify the administration procedures. Things like dispensaries, school buildings and hospital equipment forces the government to hire new doctors and school teachers to work in those facilities. However, there are instances when cash donations are inevitable. The contributions to victims of natural catastrophes like floods, accidents, hunger, earthquakes and others issues of a similar nature in philanthropic terms necessitates the use of cash donations. In cases where cash payments are used, they are channelled through the government or political representative and not directly to individual recipients. Assistance to disabled and orphanage centres necessitates the use of cash and materials such as food, bedding and clothes. Even if cash is given to provide donations to needy communities, it is still discouraged as it is associated with many problems. In addition, where a company is involved in capacity building or empowerment of the community, the cash is paid directly to the individuals providing the expertise. This finding is similar to Blagov and Petro-Savchenko (2012) in Russia, where companies dealt in philanthropic activities through monetary and service contributions, donations in kind, and employee donations through various sponsorship programmes.

7.2.1.2.2 Forms of CSR Practices: Emergencies, Short and Long-term Activities

The study found that companies participate in emergencies, via short-term and long-term CSR activities. The companies' managers were unanimous that they participate in emergencies. They provide relief and humanitarian assistance to individuals hit with unforeseen emergencies such as floods, ferry disasters, outbreaks of killer diseases such as Ebola, death while on duty, mass wasting, and other natural disasters. This is consistent with

Johnson et al. (2011) who contend that companies participate in helping disaster victims in the short and long-term on a small scale in a reactionary and episodic nature. Normally, the donations are channelled to the disaster victims directly in the form of materials such as food, bedding and cash donations. The MNEs are engaged in emergencies in all territories in which other subsidiaries of the same company are located. Similarly, companies channel their assistance to aid agencies like the Red Cross and Red Crescent. In China, Wang and Chaudhri (2009) also found MNEs and local companies engaged in disaster relief as one of CSRs important domains.

In addition, companies are involved in short and long-term forms of CSR. Short-term assistance occurs whereby companies provide CSR support to the needy stakeholders on ad-hoc procedures with the intention of meeting short term needs. Short term assistance included helping those in need such as orphanage centres. Mostly, short term contributions are philanthropic in nature. Companies also practice CSR on a long-term basis. Long-term applies when companies provide assistance through long lasting impacts such as building infrastructure facilities. Even short term support is translated into ongoing programmes and are also viable as long as emergencies occur in communities. Companies see themselves as a good citizen in society by providing this assistance. Managers and community members were in agreement about the need for long-term CSR activities and not those limited to the short term as the benefits of the former outweighs the latter.

7.2.1.3 Benefits and/or Disadvantages Realized by Practicing CSR

The benefits companies accrue from CSR programmes are many and various. Some managers stated that they have no benefit other than creating good relationships (Branco and Rodrigues, 2006). This relationship is created during the interaction of handing over CSR contributions where community members, local government officers and government agencies are involved. In addition, CSR activities help companies put forward strong investments in their areas (McWilliams and Siegel, 2001). This applies where contributions such as building schools or dispensaries in the areas of operations do not help communities only, but also company employees who utilise them to avoid unnecessary travel to distant areas. Such goods and services make employees more productive than if the services were

not available. Similar benefits arise when companies work with local suppliers and employees to spread wealth and improve the economy (Chan and Welford, 2005).

Companies participating in CSR create awareness and an emotional connection to the products they manufacture or sell to customers. CSR activities create an atmosphere of sharing information with consumers and community members in general more than when the company does not practice CSR (McWilliams and Siegel, 2001). Awareness of the product ensures company growth and profitability while contributing positively to citizens. Once they participate in CSR, companies receive appreciation from the recipients. Companies also minimize risks through health and safety systems and acceptable labour standards for employees. Generally, through CSR programmes, companies are perceived as good citizens, it improves the brand and corporate image, creates good relationships with surrounding communities, generates community appreciation, and a licence to operate is ensured (Belal and Momin, 2009; Wang and Chaudhri, 2009; Smirnova, 2012).

The companies looked at in this study have never encountered any disadvantages when practising CSR, rather they have been confronted with some challenges and complaints. Company stakeholders are anxious to see that companies are heavily involved in CSR activities and they raise this concern during annual general meetings. The findings implied that community members expect more from companies and tend to confuse CSR with necessary contributions that should be provided by the government. Once their requests are delayed or not accepted, the community becomes unhappy. Additionally, CSR is voluntary, and every company approaches it in the way that best fits them (Gautam and Singh, 2010).

Furthermore, some recipients of CSR have ulterior motives when making requests or applications for assistance. There are instances when a contribution is provided to the community members such as orphanage centres or to help with emergency relief and has been used for personal gain by taking advantage of their position. This normally happens when cash support is channelled through individuals on the expectation that the money will reach the intended recipients. Furthermore, when companies practice CSR, they go into situations where they invite public interest and receive many applications for support, often beyond their capacity to handle. Sometimes local authorities try to achieve their agenda and

solve budget deficits through CSR contributions involving companies unnecessarily in politics.

7.2.2 Perceptions of Community Members on CSR Activities

Community members of the mining and oil and gas sector were approached to gather information which led to the understanding of the perceptions of the relationship between companies and communities, the benefits and/or disadvantages experienced by community members and the most important CSR activities from a company's perspective.

7.2.2.1 Perceptions of the relationship between communities and companies through CSR

With the advent of MNEs, community members' expected the MNEs and local companies to protect the environment, provide alternatives to the local economy and sources of livelihoods, improve health and education services and the creation of employment vacancies (Mutti et al., 2012). Contrary to these expectations, there exists a poor relationship because companies do not provide enough CSR contributions compared with their financial capacity.

The FGDs with members of the communities indicated that there is no better relationship between companies and communities surrounding their areas of operations. The reasons for the poor relationship were sighted as lack of enough employment opportunities, poor compensation procedures, environmental pollution and little CSR contributions. There continues to be a lack of sufficient employment vacancies for the unemployed surrounding the companies despite strong promises. Those employed in the gold mines are paid below the government minimum wage. Employment criteria is by and large based on nepotism and many of the vacancies go to people from outside the communities living around the gold and oil and gas areas. In other words, a community's perception of companies CSR activities is linked to employment creation (Newell and Frynas, 2007); but many continue to be poor as they are denied the ability to apply for the vacancies.

In addition, the poor relationship between companies and the surrounding community relates to compensation procedures. Many citizens' areas of residence and their agricultural land is taken over by investor companies. Unfortunately, people receive such little compensation that they cannot afford to buy other pieces of land to build on or undertake agricultural activities. The community expectation is that companies would be honest and transparent in their operations. Similar findings were obtained in Ghana by Garvin et al. (2009) where mining activities are associated with problems such as inadequate and delayed compensation to farmers who paved the way for mining MNEs to carry on mining activities.

Furthermore, companies are blamed for polluting the environment through mining operations, which is contrary to the community's expectation of wanting companies to be committed to environmental protection. The mining areas experience soil, air and water (rivers and boreholes) pollution due to the spillage of chemicals, land and forest degradations, and the damage of aquatic organisms (Kitula, 2006). During blasting, affects the surrounding areas are affected by sending up a huge cloud of dust, which ends up settling on the roofs of houses and open boreholes. This leads to water being unfit for human consumption as it is contaminated with dust and chemicals from the mining operations. The huge sounds of the blasts also cause shaking of the land and houses develop cracks in the walls. Health-wise, people become very ill from the flu caused by the dust. Almost all of the mining operations are close to human settlement areas and some areas are near as 2km from dwelling houses. The mining companies use open pits and no blasting heavy house system was designed to harvest the chemicals generated during mining operations, or at least to reduce some of the side effects. In Ghana, Tenkorang and Owusu-Koranteng (2005) found that companies were blamed by community members for taking inadequate measures to protect the environment and causing the poor quality of water and air associated with the mining operations.

These findings also correspond to Nam's (2011) study in South Korea, where the public perception towards CSR of MNEs was oriented towards contributing back to society, create employment, being ethical, donate to charities, and being a protector of the environment. In general, MNEs, especially those in mining and oil and gas and manufacturing, face serious criticism from communities as they have failed to transform the lives of the people

surrounding them despite the obvious problems they cause. Many community members feel that corporations have not done anything valuable to boost their economic status through employment or environmental and social transformation. Consequently, they are still living in abject poverty despite being in areas with huge wealth. Similarly, in Ghana, community members perceived mining companies as not being responsible for supporting local development due to inadequate economic, social and environmental responsibility (Garvin et al., 2009).

7.2.2.2 Benefits and/or disadvantages realized by the communities from companies' CSR

Although community members alluded that companies did not have any better relationships with them; they agreed that they have benefitted somehow from them. The community members in the mining sectors receive cash donations for administration expenses of the local area offices, iron sheets for the roofing of the village school buildings and continuous road refurbishments. Some of the contributions are channelled directly to DCs; which are meant to benefit the wider society in their districts. However, communities surrounding the mines were dissatisfied when contributions channelled through councils benefited distant villages instead of those close to the mining operations who are seriously affected by the mining activities. In addition, some of the town roads have been upgraded to bitumen standards while others have had normal improvements carried out. Casual employment opportunities have been created. Other benefits include the building of a secondary school for girls, sponsoring and paying tuition fees for secondary school children from poor families and training in vocational skills.

Companies also benefit the community through the sponsorship of sports and culture, water projects and health services (Boehm, 2002). These findings are in agreement with Tang and Li (2009) in China who found that both Chinese and MNEs place emphasis on contributions to education, disaster relief and contributions to youth development generally as activities they undertake in the surrounding community.

While communities appreciate what comes from MNEs and local companies; they experienced some form of dissatisfaction. CSR contributions are insignificant compared to the financial strength of the MNEs and the profits they earn each and every year (Kramer, 2011). Community members felt that companies could generally do more and provide significant contributions to projects with an everlasting effect. There are few employment opportunities set aside for people living close to the mines. People living around the mining and oil and gas companies' areas of operations don't need high level vacancies, casual labourer would suffice.

The communities in the three neighbouring regions in which gold mining companies are located do not have anything such as a university which could be obtained through CSR of the companies. The communities in oil and gas wished investors would build them a referral hospital and reduce treatment and transport expenses they incur when they travel to services in other regions. These findings correspond to Lu and Castka (2009) in Malaysia where communities claimed that CSR contributions should be in proportion to the profitability of the organizations. The MNEs are well off companies whose contributions are supposed to have a far reaching impact rather than concentrating on ad-hoc and less valuable programmes. Contributing to long-term assets such as schools, hospitals, environmental protection, and empowerment, for example help to realize the millennium development goals developing countries such as Tanzania are striving to achieve.

Finally, there is a barrier of communication between companies and the surrounding communities, and such a barrier is another reason for the poor relationship. Whatever society concerns they have cannot reach the companies' management who would respond to reduce the tensions. The companies studied had no clear communication and response strategies to the communities other than ad hoc and limited mechanisms of information flow. This result is comparable to Mutti et al. (2012) in Argentina, where CSR activities' communication, dialogue and involvement of community groups were limited. These limitations lead to the conclusion that companies are less interested in supporting communities through CSR.

7.2.2.3 The Most Important CSR Activities for the Communities

The most important CSR activities for communities differ according to place and society needs. While some communities can access some services like schools, dispensaries, and water; others cannot. In general terms, the most important activities required by communities include those related to health services, water supplies, school buildings, other infrastructure services (electricity and roads), employment, education, and the empowerment of youth and women in micro-projects. Interestingly, the activities highlighted as important by community members are similar to those mentioned by company managers. This suggests that MNEs and local companies in Tanzania are aware of what citizens need most in order to assist them. This finding is similar to those of Katamba et al. (2012) in Uganda, and Lu and Catska (2009) in Malaysia, which emphasized material donations; the Tanzanian communities also need tangible assets. The common problems in Tanzania are related to the prevailing issues of poverty, ignorance and diseases. Any contribution addressed to tackle one of these problems, assists the recipient communities. Similar findings in China indicated MNEs and local companies were interested in support directed at education, development projects, poverty reduction, disaster relief and health (Tang and Li, 2009).

7.3 Motivations of companies to Practice CSR in Tanzania

The discussion relating to the motivations of companies to practice CSR in Tanzania is in terms of internal and external motivating factors.

7.3.1 Internal Motivating Factors

Internal motives are relevant in influencing companies to adopt and practice CSR in Tanzania. The efforts by executive management and the observance of personal values, management skills, professionalism and altruism are the reasons behind formulating, adopting and implementing CSR policies within organizations (Hemingway and MacLagan, 2004; Liang et al, 2007). Companies practice CSR because they are tailored that way through management decisions in their organizations to address the need to help the surrounding communities. CSR is internally driven to do good things for citizens, create good

relationships, improve the brand image, make an emotional connection to customers and be perceived legitimate and live in harmony with society (Goddard, 2005). Essentially, the support and contributions go to individuals, the community in general, local government, professional bodies, NGOs and groups affected by natural disasters.

Yet, another motive leading organizations to practice CSR is related to ethical behaviour, believing it is beneficial to the community and to avoid any harm arising from their business operations. Companies realize the reputation benefits that bring them closer to the communities along with their products or programmes being perceived somehow better. Arguably, corporations have to engage with CSR because it is from these communities where their product is promoted, advertised and sold. These findings on internal motivating factors are similar to prior studies which are connected to the benefits related to goodwill (Detomasi, 2008); improve the corporate image (Belal and Owen, 2007; Kehbila et al, 2009; Kabir and Akinnusi, 2012; Momin and Parker, 2013), core values and the right thing to do (Hamman, 2004; Arevalo and Aravind, 2011) and legitimating principles (Jamal and Mirshak, 2007).

7.3.2 External Motivating Factors

The external motivating factors for CSR include: parent companies, the government of the host country, follow industry norms, pressure from NGOs, the beneficiary groups, regulatory bodies and copying similar practices.

7.3.2.1 Influence of Parent Companies

Two sets of direct and indirect forces from parent companies influence subsidiaries to practice CSR (Belal and Momin, 2009) in Tanzania. The direct influence of CSR practices depends on the direct influence of the parent companies (Rosenzweig and Nohria, 1994). That means whatever decisions they undertake regarding CSR are approved by headquarters. This may be applied by following policy guidelines of the parent company or the permission of the subsidiary company to use its own budget for CSR activities. When subsidiaries have committed themselves to the CSR, they are required to report back to their headquarters for

administration purposes. Indirect influence states that, although companies work under the supervision of parent companies; the decision to apply CSR has been left to the subsidiary management in Tanzania. The subsidiaries' management emphasized that there is a sharing of policy with parent companies and not directing them in what to do. The subsidiary's own initiatives to practice CSR aim to take into consideration requests from communities. The subsidiaries are the ones who receive applications and have a mandate on the money set aside to support communities in selected projects.

However, the implications of the direct and indirect influence groups are similar (Kostova and Roth, 2002). In essence, the subsidiary organization is being left to decide what kind of CSR activity to undertake as they know the environment better than headquarters. As long as the headquarters are aware of what the subsidiary is doing, irrespective of the choice of what kind of CSR activities to engage in, is equivalent to approval from the parent company. Interestingly, the companies whose practices are not affected directly by parent companies come from manufacturing, mining, oil and gas and the telecommunications industry. The subsidiaries mostly influenced by parent companies are from pharmaceutical and banking and financial services. In comparison, the former are bigger investors than the latter, and this might be the reason for their autonomy. This finding replicates the studies in Bangladesh by Belal and Owen (2007) and Momin and Parker (2013) who found, among other reasons, that CSR is driven by parent companies for subsidiaries operating there.

7.3.2.2 Influence of Government of the Host Country

Another motive to practice CSR is as a result of the influence of the institutional profile of the host government in which the subsidiary operates (Kostova and Roth, 2002). The findings show, in general terms, that the most notable influences from the government of Tanzania is through exemptions, negotiations and agreements with companies to participate in CSR (Campbell, 2007). The investment registration agency provides exemption for companies to allow them to participate in CSR and has entered into more agreements to partner with companies in different projects (Albareda et al., 2007; Steurer, 2010). As a developing country, close relationships with companies who practice CSR is crucial in order to take advantage of insufficient budgets to finance social amenities.

The government participates in invitations from companies to attract political support during the launch and handing over of some projects. One of the most notable events that marks the government's involvement in CSR is through the personal efforts of the minister of energy and minerals. The minister has called, at different times, various stakeholders, especially business owners and companies to request them to actively take part in helping Tanzanian communities in various instances. Companies such as mining, oil and gas and manufacturing sectors have been requested to increase their participation in CSR activities. Normally, those companies who do well are recognized and rewarded. The practice of award-winning is now prevalent in some developing countries and recently has been visible in Ghana (Hinson, 2011) and Thailand (Virakul et al., 2009). As a result, companies in Tanzania have started to actively participate in CSR and sponsor students in the oil and gas sectors in Tanzania and foreign universities in Europe and China.

7.3.2.3 Following of Industry Norms Shared with Peers

Another motivating factor for companies to adopt CSR is to follow the industry norms (Christmann, 2004). Generally, different sectors have paved the way to formulate, follow and emulate the industry norms. The norms are followed by companies in manufacturing, mining, pharmaceuticals, banking and oil and gas. However, the challenge remains as to how to ensure following of the norms across all sectors. The norms are multi-disciplined and oriented at national and/or regional levels depending on the nature of business operations.

The banking and financial institutions follow the Equator Principles on the environment and sustainability while telecommunication companies follow the UNGC principles on human rights, anti-corruption campaigns and environment protection (Collins, 2012). This is line with Belal and Owen (2007) who studied the views of corporate managers on CSR prospects in Bangladesh and found international agencies to be one of the driving forces for practising CSR. Pharmaceutical companies follow the local norms publicized by the TFDA and Tanzania Bureau of Standards (TBS) on standards and ethics to deter companies from selling expired goods. In addition, health and safety issues are advocated by the OSHA across all companies to ensure their practices take into account health and safety measures to prevent unnecessary damage to the workforce. Ciliberti et al. (2008) found supply chains in Thailand

using health and safety systems in their CSR activities. Mining companies have MDA agreements which are followed relating to the environment and caring about the surrounding communities. The companies in the cement manufacturing sector have adopted ISO 14001 standards that guide them on the levels and amount of dust emission to minimize environmental pollution (Bansal and Hunter, 2003; Castka et al., 2004). Thus, companies are influenced by the norms from different global and local organizations.

Similar findings in Bangladesh show that CSR practice is determined by various bodies, institutions and international organizations such as global reporting initiatives (GRI), ISO standards and International Financial Corporations (IFC) on the banking industry for sustainability principles (Khan et al., 2011). Also, Islam and Deegan (2010) found that companies in the garment industries in Bangladesh are influenced because of the introduction of buyers' social codes of conduct where non-compliant companies had orders cancelled.

7.3.2.4 Pressure from NGOs

Companies also practice CSR due to pressure from NGOs (Guay et al., 2004; Arenas et al., 2009). NGOs are active in providing legal backing to communities against violating companies (Yang and Rivers, 2009). Generally, NGOs are vocal to ensure companies are compliant with basic standards of environmental protection, employment and human rights, compensation and social standards. However, NGOs are unable to provide alternative solutions to practices perceived inappropriate for the communities which remains a challenge. In other words, most of the local NGOs lack enough skilled workforce to provide consultancy services or professional advice on what companies can do to win the hearts and minds of communities surrounding companies. Similarly, the practices of CSR are bound to the internal arrangements of companies and the influence of NGOs is not a sufficient reason for them to practice CSR. Previous studies in Ghana (Koku and Gustaffsson, 2003), Kazakhstan (Mahmood and Humphrey, 2013), China (Tan, 2009) indicate that NGOs are one of the major influences of MNEs and local companies to adopt and practice CSR. In Kazakhstan, NGOs urge businesses to focus on ethical and discretionary CSR while in China NGOs are strong and pressurise MNEs to adopt ethical standards within their practices.

Welford and Frost (2006) found similar results in Asia where companies and MNEs were influenced by NGOs to be CSR sensitive.

Even though NGOs coerce companies to comply with CSR, the two experience interactions with each other in their daily commitments, which leads to them being partners in various circumstances. To save the costs of running various programmes, companies and NGOs partner in an agreed manner to accomplish a CSR task. In Lebanon, Jamali and Keshishian (2009) found NGOs and companies partnered to practice CSR on capacity building and school rehabilitation, promoting volunteerism, monetary support of education and training programmes and environment protection. Also, NGOs are part of the large beneficiary group, and in most cases, dependent on the support from companies to run some of their programmes (Baur and Schmitz, 2012). This is in line with Khan et al. (2011) in Bangladesh who found banks donated social and charity contributions to different NGOs to facilitate their programmes and support for poorer women's education, vocational training and health services. Tanzanian NGOs also participated in CSR to a community through volunteering in education services. In China, Tang and Li (2009) found that companies partnering with NGOs were one of the means to realize strategic philanthropy.

7.3.2.5 Influence of Beneficiary Groups

Beneficiary groups are taking positive initiatives to influence and coerce companies to practice CSR. Yang and Rivers (2009) suggest two influences from beneficiary groups: providing public comment via the media or by working in collaboration with companies directly through meetings and other forums. This study is based on the latter influence and determined how communities meet and present CSR applications to companies. Companies respond to a community's demands, although the influence differs from one community to another. As such, beneficiary groups they have been frequently influencing companies through their applications to get facilities such as water, health, cash, empowerment and other donations in kind. In turn, companies participate in CSR activities to obtain support from the communities around. This finding corresponds to that of Smirnova (2012) in Kazakhstan who found companies participated in CSR to get more support from the community. Additionally, influence occurs when community members convene meetings to

raise issues that affect their lives. In the meetings, community members air their grievances, such as those living in the gold mining areas who have suffered issues such as house cracks, air pollution and water contamination. They have also suffered inappropriate compensation for their land given up to pave the way for companies' operations. In South Africa, community leaders objected to a mine in their locality as residents were not adequately compensated for cracked houses and contaminated water due to a company's operations (Hamman, 2004).

Furthermore, the beneficiary groups collaborate with companies, politicians and executive leaders such as MPs, RCs, DCs, DED, councillors, WEO and VEOs in handing over CSR projects. These collaborations become platforms to disseminate information or publicise companies' accomplishments to gain political backing from the government. This, in a way, helps to give the company a good image and at the same time it makes communities feel they are important to the well-being of companies. Similar practices were discovered in Ghana, where community leaders were involved in some instances, such as choosing projects, and selecting a site; although community members were excluded unless they were hired as temporary labourers (Afrane and Adjei-Poku, 2013). Another study in Ghana found district authorities and community members' collaborated to influence companies to undertake CSR in their areas (Koku and Gaustafsson, 2003). In Brazil, petrochemical MNEs experienced community pressures to reduce the impact of environmental risk posed to communities and other stakeholders (Abreau, 2009).

Conversely, the interactions of companies and community members have been ineffective in places where community members do not forward requests or conduct meetings. There are no forums to air their grievances against companies on the side effects posed by their operations. Consequently, they end up complaining via unheard of or unrecognized mediums and the message does not reach the target audiences. Some community members in mining areas have never convened any meetings with MNEs to discuss how they are being impacted by the companies' operations. Yet, communities from the oil and gas sector made two applications, one of which was successful and their request was fulfilled. The findings correspond to Frynas (2005) in Nigeria's Niger Delta oil fields, where community members

were seldom involved and met company representatives once a year to discuss the implementation of CSR projects.

7.3.2.6 Influence of Regulatory Bodies

Apart from being the administrative branch of the government; regulatory bodies do provide a useful oversight responsibility to companies (Bichta, 2003). When it comes to issues of CSR, the bodies have regulatory functions and advisory roles. Regulatory bodies enact, implement and ensure following of regulations in relation to conduct of certain projects by companies. The environmental regulatory agency is strict on social and environmental damage. When a company is registered to undertake activities of mining, manufacturing and the like, it has to abide by conditions not to damage and pollute the environment. If companies ignore these conditions they are fined and heavily penalized. Sometimes, they halt the operations until this situation is rectified; otherwise the company is not allowed to carry out these activities. Yang and Rivers (2009:159) states in support of penalties that, “it is logical that a subsidiary will take more notice of legislation if there is a penalty associated with a breach of the legislation, or a benefit for non-breach”. This implies MNEs are expected to follow the regulations and implement their requirements, even when undertaking it voluntarily manner. Another study in the Philippines found regulatory and legal compliance were motivational factors for companies to practice CSR (Maximiano, 2007).

Furthermore, regulatory bodies normally enlighten companies on what should be done during the conduct of their operations. Once they reach a consensus, the agreement becomes binding and subject to inspection. According to Maximiano (2007), CSR goes beyond mere compliance and should not be reduced to simply observing the laws, policies or regulations and so advice from regulators are essential. The participants consented that the environmental management council, a body responsible for environmental matters in Tanzania, is doing the best in influencing companies to practice CSR. This regulatory body ensures that any company in environmentally sensitive areas follows directives as they are provided. There is no company which can be licenced to start its operations unless it has provided an environmental impact assessment checklist.

The regulatory mechanism comes from the auditing agency mandated to audit the conduct of mining companies in Tanzania. The audit body ensures that mining companies are compliant with rules and regulations regarding the MDAs. The MDAs have clauses on CSR which were agreed to be followed by companies. Once this body finds companies in the mining sector who do not comply with the MDAs, it reports the matter to two other agencies who impose punishment to the defaulting companies. Similar findings on direct third party auditing and inspection of CSR was found in Italian enterprises by the International Fair Trade Association (IFTA), a global network representing 270 organizations in 60 countries (Ciliberti et al., 2008).

7.4 The Role of Institutions and Beneficiary communities in Promoting CSR in Tanzania

Institutional roles are those coming from government institutions, NGOs and community groups (Bichta, 2003; Ararat, 2008; Sobhani et al, 2009); Mahmood and Humphrey, 2013. The core point of the discussion in the current research is on the roles that aim to encourage, direct, incentivise, create dialogue and awareness and if there are any actions against violators; for the sake of uplifting the status of CSR in Tanzania.

7.4.1 The Role of the Government of Tanzania and its Agencies

The role of the government of Tanzania is discussed in terms of incentives, awareness and directives, actions against the violating companies and whether or not these actions help to deter companies from their previous bad practices.

7.4.1.1 Government Incentives to Companies

The government of Tanzania does not provide any incentives for companies to be more participative in CSR programmes. The government has left companies to indulge in CSR as doing so gives them a licence to operate. Government officers do not see the issue of companies' compliance or not with CSR as a legal thing. It is acknowledged that CSR is not mandated by many governments of the world (Griseri and Seppala, 2010) and this is true of

Tanzania also. Generally, the initiative, which is counted as one of the major incentives to companies investing in Tanzania is tax exemptions in the first five years of their operations (TIC, 2015). Currently the taxation policy in Tanzania rewards companies that give back to the community.

7.4.1.2 Awareness during Registration and Directives

Companies are made aware of CSR through agreement or consensus and not based on any law relating to CSR. In fact, companies are involved with different agencies during the registration process which makes it difficult to compromise across diverse bodies. If an investor is interested in investing in the construction industry; the industry regulating body is responsible for issuing guidelines, licences, permits and other official arrangements. However, this permits do not give the investor the right to commence production unless an environmental permit is issued from the environmental management council. This infers that the environmental permit is more important than those permits issued by other authorities.

Regarding directives; the government through MEM have formulated policy guidance for the mining and oil and gas sectors (URT, 2009; URT, 2013). The two documents directed at the mining and oil and gas sectors contained CSR references. The guidelines emphasize that while companies undertake their operations, they have to take into consideration the society surrounding them through CSR. According to URT (2013:7) the natural gas policy of Tanzania specific objective para 2.4.2 (viii) states that, “to substantially improve CSR in communities neighbouring natural gas facilities and operations”. With this objective, the policy statement further states that, “the government shall: (i) ensure that there is no contractual obligation to all investors and contractors in the natural gas activities to undertake locally prioritized community development programmes; and (ii) ensure companies in the natural gas industry submit credible CSR action plans to the appropriate authority”. Such guidelines are useful to indicate how companies can demonstrate their CSR (Fombrun, 2005).

The other policy guideline focusses on the mining sector in general. According to URT (2009:9) the mineral policy intends “to strengthen the involvement of and participation of

local communities in mining projects and encourage mining companies to increase CSR''. This mineral policy further states that companies may contribute to the surrounding communities through CSR to ensure sustainability of their operations. The policy statements outline that "(i) the government will require mining companies to implement credible CSR policies. And, (ii) the government will encourage mining companies to involve local communities in setting priorities of community development projects and socioeconomic aspects during the life span of their projects"(p. 18). This is in line with Ararat (2008) who found the Turkish government publicized guidelines with the intention to promote CSR through the stock exchange board. In Bangladesh, the government has mandated the two stock exchange markets of Dhaka and Chittagong to enforce the practice of CSR in companies, and make disclosure thereafter (Sobhani et al., 2009). Additionally, Amran and Devi (2008) found the government of Malaysia played a leading role in implementing national economic policy with a focus on CSR practices.

However, these two policy guidelines apply to mining and oil and gas while other sectors are not included. Greater stakeholder engagement is required to create awareness of the policy guidelines on CSR to reduce any unnecessary misunderstandings that may arise.

7.4.1.3 Actions taken Against Violating Companies

There are instances where companies are involved in violations of social and environmental rights. Following these violations, serious actions against the offending companies have been taken. These actions include imposing huge fines and penalties on the violators by TRA and the agency responsible for the environment. Further to fines and penalties, the company must also try to rejuvenate the land that has been polluted or compensate the individuals affected. The agencies are also mandated to halt operations of non-compliant companies. Most of the violating companies are from the manufacturing and mining sectors. The agencies imposing fines cannot let production proceed unless the offender has met all conditions imposed upon them. The punishment of companies and pressure from regulators are the leading reasons for social and environmental compliance to avoid disrupting the scale of operations, costs and loss of social licence to operate (Gunningham et al., 2004).

The audit agency is responsible for auditing related to mining. The audit reports of non-complying companies are reported to two organizations, namely: TRA and the agency responsible for the environment, for further action. The presence of a government audit agency is recommended and perhaps a huge step towards creating responsible companies in Tanzania. In contrast, such an audit agency cannot be limited to the mining sector alone in a country which has many other economic sectors such as manufacturing, oil and gas production, transportation and communication, retail and many more. It is worth empowering the audit agency to extend and cover other sectors as well. Additionally, the audit agency, being a watchdog, has no legal backing to sue the companies or at least impose fines and penalties in the course of the audit. It is charged with an advisory role only.

7.4.1.4 Relevancy of Government and Agencies' Actions in Deterring Companies from Bad Practices

Companies do stop their bad practices due to heavy penalties and fines imposed upon them. They are given the go-ahead following compliance with the conditions placed upon them. There are no incidences where the closure of business operations of a company has become indefinite. Indefinite closure would mean that the company has problems that are beyond repair; a situation never experienced before. However, penalties and fines are allowed to be issued three times, beyond that the company will be asked to cease operations and leave and that can be done through an order from the minister responsible for that sector.

7.4.2 The Role of Institutions-NGOs

The role of NGOs as institutions in this study also paid attention to the incentives, directives, dialogue and actions taken against violating companies and whether they refrain from bad practices.

7.4.2.1 NGOs Incentives to Encourage Companies to Practice CSR

NGOs do not only give incentives for companies to participate in CSR but also provide CSR services to the communities. NGOs participate in one way or another to provide incentives

in the form of encouraging companies, peer NGOs and government organizations to be positive for and contribute to CSR for communities (Yamin, 2001; Husted, 2003; Seitanidi and Crane, 2009). Activities of NGOs in the health sector have resulted in attracting government organizations to collaborate. One of the NGOs is being sub-contracted by corporations and government bodies to guide them on how to provide free health services in eyesight, heart scans, diabetes and blood pressure. The government-led health sector has adopted what the NGOs in the health services are doing.

Similarly, NGOs have launched an annual award, which is given to a company who does well in CSR relating to human rights, labour rights and environmental protection. This award, called the corporate award, is presented to the overall winning company based on given criteria. In connection to this, the NGO has also launched a journalism award to motivate the entire community and stakeholders across the country to be well informed and oriented towards embracing CSR wholeheartedly. The reason why NGOs take part in this campaign is the belief that there is a need to change mind-sets through various programmes by providing an advocacy campaign through awards.

7.4.2.2 Directives from NGOs

The participant NGOs are calling upon all stakeholders with a role to play, including the government, corporate bodies, peer NGOs, and the community to participate in the work of accommodating CSR into programmes and policies (Arenas et al., 2009). Their directives are addressed to all stakeholders in a campaign against poor education or health services in which the NGO supports. To be inclusive of many stakeholders, NGOs call upon other members of the community to participate in the events led and initiated by them. The campaigns mostly target local governments and communities as this is where those with the greatest need are found.

7.4.2.3 NGOs Dialogue with Companies on CSR

NGOs take initiatives to conduct research to discover how certain practices are implemented. This follows the public outcry regarding issues affecting people relating to company

operations. NGOs use this research as a platform to interact with companies and discuss the findings together to agree a way forward. The NGOs also hold dialogue with other stakeholders and have begun working with the Tanzania Private Sector Foundation (TPSF) a supreme body vested with overseeing businesses in Tanzania. This is a recommendable programme that enlightens business owners about CSR. Across the world, and especially in Europe, forums are undertaken to facilitate the discussions of CSR trends (Fombrun, 2005).

7.4.2.4 NGOs Actions against Violating Companies

NGOs are very active in taking actions against companies that violate social, environmental and employment rights (McBarnet, 2009). NGOs in the health sector have always acted as a go-between to government and private health service providers who are threatening to close down their operations due to some bad practices. The NGO ensures that the government does not close down the services and at the same time the violating company complies with the conditions imposed upon it. In other words, they don't allow the government to halt the operations of the service provider unless the company has committed several violations and reconciliation no longer helps.

NGOs in legal and human rights normally take stringent actions such as to sue the company found violating community and individual rights (Sullivan, 2003). Filing suits for violating company in the courts of law in Tanzania and abroad, such as the one held in London, have been prevalent. All cases filed against companies that misbehave, pollute the environment and are involved in land grabbing have been won using NGOs lawyers. Additionally, and yet importantly, NGOs do this as a form of CSR as they don't get anything back from the affected community members. NGOs from the education sector have no such powers to sue companies, but have the ability to contact violating companies and ask them to cease their bad practice and/or operations.

However, the NGOs scope of actions is limited to the areas and nature of the services they provide. If NGOs are in legal services, their actions are directly linked to matters of law or a similar nature. If the NGO is in other services such as advocacy relating to education and health matters, their actions will follow those that are based on reconciliations. In all

respects, they are important for the enforcement, lobbying, awareness and partnering roles (Yamin, 2001) for the wellbeing of a wider group of stakeholders in Tanzania.

7.4.2.5 Relevancy of NGOs Actions in Deterring Companies from Bad Practices

NGO actions are very helpful in ensuring the fight against human rights, and that social and environmental violations are mitigated. Violating companies, when confronted by NGOs through legal or reconciliation actions, refrained from their previous unacceptable practices. Some of the legal actions have left companies with a bad image and so to repeat such irresponsible behaviour means that they are inviting more legal action and public mistrust. The companies have been penalized heavily to compensate for the loss or damage suffered by affected parties. Then, if the offence is repeated it means that more cash or other resources will go. Additionally, misbehaving companies become the enemy in the eyes of the community. This enmity if unchecked, may result in public outcry that invites vandalism, looting and burning of the company's property (Calvano, 2008; Moss, 2013); actions that any meaningful company would not want to happen.

7.4.3 The Role of Beneficiary Groups

Community members seldom interact with companies, government and NGOs about CSR. The communities in the gold mining sector hold meetings with companies, government and NGOs to discuss issues of CSR. The participant group convened one meeting with a gold company in their area, while the other group conducted one meeting with local government, and another one with NGOs. The promises made by companies in the meetings were not accomplished in the agreed time and no feedback was provided to inform the communities. Meetings with high level government officers and legislature through the Standing Committee of Parliament of URT for the environment were initiated, but were in vain when the officers and committee visited the company offices and then left without further notice to the waiting community members. This finding is in line with Idemudia (2007) in Nigeria, where communities negatively perceived the oil multinational due to poor corporate communication which was limited to a few elites in rural areas. Also, the community members rarely interacted with NGOs to educate and make them aware of their rights. In

Ghana; Koku and Gustaffsson (2003) found that mostly district authorities, NGOs and local community collaborated and participated in an effort to make companies practice CSR in the local communities. Indeed, these findings suggest that stakeholder engagement is still needed for the Tanzanian CSR as there is not a sufficient collaboration between companies and their stakeholders.

However, other groups didn't convene any meetings with companies' to discuss CSR matters and the relationship between investors and the surrounding community, nor the NGOs. This indicates that stakeholders (communities, NGOs and companies) have not put the mechanisms in place to interact with each other so as to strengthen their relationships, and provides information about CSR or offer education to communities. This is not surprising, as these findings indicate that, most of the community members do not know or understand the demarcation between the companies' CSR and the government's obligation to the citizens. One of the reasons for the ignorance is due to NGOs inactive participation to convey awareness, sensitization and education forums to communities about CSR (Arenas et al., 2009). Thus, the overwhelming majority of community members does not know that CSR in Tanzania is voluntary, and companies contribute on the basis of their own willingness.

7.5 Neo-Institutional Theory and CSR Practices in the Context of Tanzania

The three strands of coercive, mimetic and the normative isomorphism of the neo-Institutional theory (DiMaggio and Powell, 1983) are applied. The theory was specifically relevant to explaining why organizations [MNEs and local companies] elect to adopt a certain practice of CSR.

7.5.1 Coercive Isomorphism and CSR in Tanzania

Coercive isomorphism was indicated in the study through the pressures of parent companies, regulatory bodies, host government, NGOs and the beneficiary community as indicated in the following subsections.

7.5.1.1 Pressure of Parent Companies

As discussed extensively in chapter three, one of the main reasons why MNEs wish to engage in CSR activities in foreign countries is the influence of parent companies in the home country (DiMaggio and Powell, 1983). The parent company at headquarters is powerful in terms of finance, technology and human resources and so imposes the conditions that subsidiaries have to abide by. The study gathered enough evidence of direct and indirect influence of the parent companies to subsidiaries abroad (Liang et al., 2007). Direct influence occurs whereby the parent company dictates to the subsidiary to participate in CSR. When the subsidiary invests abroad, the parent company is challenged with legitimacy issues and so it becomes inevitable for it to ensure CSR in place for image or reputation purpose (Yang and Rivers, 2009). The subsidiaries then follow what the parent companies dictate. Those MNEs influenced directly by parent companies are pharmaceutical and banking and financial services.

Indirect influence occurs whereby the parent company's policy contains CSR practices and the subsidiary follows the policy guidelines in replicating what is done at headquarters. Occasionally, the company through its CSR policy, indicates the areas of priority and the subsidiaries will implement them in local areas even if they are not asked to do so. In this regard, the companies abroad may think they are not directed by their head office, but in fact they are implementing essentially what the parent company does at home. That is, sharing policies that are formulated by the parent company is executing and following it indirectly. The policy guidelines give the subsidiary a form of freedom to choose any CSR activity and implement it subject to the needs of communities in the areas they operate. However, companies that claimed not to be influenced, demonstrated that their operations, including CSR activities, were undertaken using funds raised by their parent companies (Kriger, 1988).

Yet, other MNEs reiterated that they are not influenced in any way by the parent company because their CSR programmes depend on local needs, while in actual fact they follow the parent company's global policy and strategies to tailor their operations. While this may be acknowledged as being independent of the headquarters influence, it is however the influence of the parent company in reality. Adoption of the so called global policy and

strategies are apparently the decisions made by the company and the MNEs duty is to adapt and follow them (Kriger, 1988). Companies from manufacturing, mining, oil and gas and telecommunications follow their parent companies' global policies, which imply they are indirectly influenced.

7.5.1.2 Pressure of Regulatory Bodies

The regulatory bodies also coerce companies to practice CSR in Tanzania. The study established the influence of regulatory bodies from inside and outside the companies' perspectives (Hennink et al., 2011). From an inside perspective; the officers of the two regulatory agencies provided evidence of coercive isomorphism. The agency's officers assuredly indicated that there is no CSR law in Tanzania, they discussed openly with investors how they can practice it along with adhering to other laws and regulations. The resolutions reached in the meetings are used as a reference for holding companies to account in case they have not followed through with their promises. The agencies then undertake inspections on a regular basis. Also, the agencies listen to the public outcry against any bad deed a company has committed to the surrounding community. After inspection and personally visiting the affected community; the agencies impose punishment. As long as failure to accomplish the agreements attract penalties, it is a coercion rather than if they had been left without a follow-up.

The audit agency in the mining sector has a responsibility, among other things, to audit the mining companies and report to the environmental and revenue authorities. The environmental agency and the Tanzania Revenue Authority (TRA), have legal mandates to impose penalties and fines and can suspend or stop the company from operating. No company can be allowed to start production unless the environmental responsible agency has issued approval, which must be complied in the course of operations. Furthermore, using audit and inspection agency's recommendation to hold companies responsible is nothing other than enforcing companies to follow conditions and or agreements made. According to Amba-Rao (1993) MNEs and their local counterparts are expected to adhere to the host government laws and regulations in order to establish themselves in the new economies.

From an outside point of view, managers accepted that regulatory bodies influence them in various ways. MNEs and local companies are bound to follow the laws and regulations of the regulatory bodies. The regulatory bodies specifically provide directives related to environmental conservation and social issues. The CSR programmes are discussed and agreed with the body and thereafter the agreement becomes binding for the company to do it. Such discussions and interaction with regulators help to provide a conducive environment and deter MNEs from withdrawing investments (Amba-Rao, 1993). However, companies who fail to follow the directives and who are found guilty are heavily punished, in most cases being fined, halting the operations or both. The suspended companies can only resume their activities when they follow the instructions imposed and the fees or fines have been settled. The study found three notable examples of huge fines and suspensions to previous violator companies from the mining, cement and production sectors.

7.5.1.3 Pressure of Host Government

Coercive isomorphism is not directly evident from the government of Tanzania's point of view. However, the government has formulated policies to guide companies on how to take care of CSR. So far there are two policies in the mining and oil and gas sectors, as well as in the MDAs. However, the policies do not provide direct coercion to companies to undertake CSR. What is being advocated is to request and promote companies to practice CSR when they start their operations in certain areas with most of the emphasis of the policies on environmental conservation and taking care of the surrounding communities in the local areas. The MDAs emphasize that at least 1% of the net profits realized by mining companies goes to the local government (or town and municipal councils) in which the company is located. These contributions have been going into the funds of local government to undertake social and other economic activities. While this is seen as a form of coercion, the policy documents imply some sort of negotiations with companies to practice CSR. Essentially, the government insists a form of partnership to ensure that companies include their CSR activities as one of the priority issues in their endeavours (Mantel et al., 2007; Harangozo and Zilahy, 2015).

7.5.1.4 Pressure of NGOs

There is an indirect form of coercion from NGOs to enforce companies to practice CSR in Tanzania. Mostly, NGOs coerce companies when relationships break down between companies and the surrounding community. This is where NGOs intervene to defend the community in relation to their rights denied by the companies. The NGOs provide legal backing and other advisory services (Arenas et al., 2009) to communities affected by the companies' operations, especially those related to environmental pollution, compensation, and human and labour rights abuses. NGOs in legal and human rights have participated in several incidences where they have supported community members, both in international courts (London) and in local courts in Tanzania. Consequently, companies become compliant and take care of the community's rights to avoid further litigation.

7.5.1.5 Pressure from Beneficiary Groups [Community Members]

Communities residing in areas inhabited by companies are another influence towards companies' adoption of CSR practices. The evidence gathered in this study demonstrated that there is coercion mechanisms from the communities surrounding the companies' areas of operations (Amba-Rao, 1993). The current communities are very vocal and aware and they have exerted pressure that has made companies resort to CSR as a means to reduce tension. Community influence comes in various forms such as convening meetings with company leaders and via formal applications. Whatever means are used to demand their rights, the good thing is that their demands are being honoured by companies. If community members are provided with one area of assistance they will later on request another. This indicates that even if companies did not intend to support or incur expenses, they are compelled to do so. Exceptions were noted where few MNEs argued that they have no direct influence from community members. However, they also admitted that they follow what stakeholders dictate, although not all stakeholders can be listened to. In Tanzania, community demands are raised when they see companies' promises are not realized. Therefore, investors are sceptical about making promises as a single failure can invite public complaints.

7.5.2 Mimetic Isomorphism and CSR in Tanzania

The second strand of neo-institutional theory is mimetic isomorphism, which concerns the influence of peer companies in the same industry (DiMaggio and Powell, 1983). It is accepted that companies in the same industry tend to follow the practices of those companies considered successful for legitimate reasons. The study examined this strand to understand whether or not it is applicable to companies operating in Tanzania. The evidence suggested that companies do adopt CSR practice because of the influence of others in the same industry in Tanzania. No evidence was obtained from company managers in copying what other companies do. But mimicry applies when companies distribute CSR contributions by inviting stakeholders and media (newspapers, radio and TV) to draw attention of the other officers and companies to copy similar practices and act in the same manner (DiMaggio and Powell, 1983; Galaskiewicz and Burt, 1991). In addition, local and central government officers such as MPs, DCs, DEDs, Ministers and local leaders are invited to participate in handing over events. Similarly, negotiation and agreement between government and companies is another element of neo-institutional theory in which various support and partnership arrangements are accomplished (Campbell, 2007). In general, the minister of minerals and energy invites companies to an occasion and requests them to participate in CSR. This has acted as a thrust for companies to actively participate in CSR.

7.5.3 Normative Isomorphism and CSR in Tanzania

The third strand of neo-institutional theory is normative isomorphism, which concerns the influence of professionalization through norms, local and international standards or code conduct (Fombrun, 2005; Christmann and Taylor, 2006). It is accepted that companies adopt certain practices such as that of CSR because they do so in recognizing the industry norms. This study found that companies tend to adopt CSR practice because of the influence of norms formulated and adhered to in the respective sectors in Tanzania.

The norms were found to be followed in different sectors. In the mining sector; there are mining conventions on environmental protection that are set to be followed by companies to reduce the danger of further environmental damage. Apart from the mining conventions,

companies also experience surveillance audits to determine whether or not they fully follow the publicized norms. In the manufacturing (cement) sector, companies are ISO accredited to ensure they don't emit dust beyond the threshold. Emitting dust beyond the required level is contrary to the provisions of ISO standards, and that attract penalties from regulatory bodies. The companies in the banking and financial services do follow the Equator Principles relating to environmental risk management and sustainability issues. The pharmaceutical companies follow the norms provided by local institutions such as TFDA and OSHA to guide them not to sell expired goods and in relation to health and safety issues. Norms are being put in place to accommodate the interests of the companies as well as communities around. Similarly, companies from the telecommunication sector follow the norms circulated by international organizations such as UNGC guidelines to document important issues.

7.6 Limitations of Neo-Institutional Theory

Despite the usefulness of the neo-institutional theory and the fact that it guided this study in answering the research question; it is still challenged with a number of limitations (Dillard et al., 2004; Ahmadjian and Robbins, 2005; Suddaby et al., 2007; Hu et al., 2007; Fredriksson et al., 2013; Yang and Su, 2014). The theory's application is mostly dependent on many factors other than coercive, mimetic and normative pressures (DiMaggio and Powell, 1983) which on their own are necessary but not sufficient reasons for companies to totally adopt certain practices such as that of CSR (Oliver, 1991). Market forces, economic and financial resources; resistance to change, awareness, pro-activeness of the companies' managers and the influence and self-interest; social, political and cultural factors and the influence of power and control; differences of companies in the scale of operations and industry in which they operate, are also relevant (Zucker, 1987; Dillard et al., 2004; Suddaby et al., 2007; Gray, 2010; Yang and Su, 2014; Goddard et al., 2016).

Neo-institutional theory fails to address the effect of market forces and the resource availability on institutional behaviours (Oliver, 1991). For a companies' processes to be legitimate, it depends on their financial and economic positions such that economically and financially unsound companies cannot address issues of CSR regardless of the pressures they

face (Dillard et al., 2004). Economic and financial strength are strong determinants of the participation in the adoption of certain practices compared to the influence of pressures only (Gray, 2010; Yang and Su, 2014). In addition, the theory relies on the taken for granted issues in spite of recognizing the various effects of “resistance, awareness, pro-activeness, influence and self-interest” of the companies’ managers and organizations in general as the chief guiding principles of adoption of certain practices (Dillard et al., 2004; Fredriksson et al., 2013). The adoption of strategies has to come from within the organization as opposed to conforming to external pressures, thus, the theory is pro companies conforming to the pressures, but does not consider when and why the corporations may choose to resist the pressures of change, become passive instead of active and resort to symbolic practices alone. When such issues are not considered while they are equally expected to be adopted by companies is an oversight of the theory (Oliver, 1991; Suddaby et al., 2007).

The neo-institutional pressures are normally stated in light of social, cultural, and political settings of the context in which the company operates (Zucker, 1987; Dillard et al., 2004). The pressures are mostly visible in contexts where societal, moral, cultural and political norms are shared between corporations and stakeholders (Oliver, 1991). In connection with social, moral, political and cultural norms; the theory also suffers from the failure to recognize the influence of power, control and self-interest and their linkages with the adoption of CSR practices (Gray, 2010). Suddaby et al. (2007:335) states that, “most empirical studies of organizational fields do not specifically identify central versus peripheral players, elite or marginal actors or dominant and subservient classes with organizations”. The absence of power and control mechanisms tend to lead to loose coupling – which means that the rules guiding the conduct of companies are not complied with in practice (Oliver, 1991; Burns and Scapens, 2000). When loose coupling occurs; displaying the symbolic or ceremonial conformance by companies would take precedence (Goddard et al., 2016).

Similarly, companies differ by the depth and breadth in their operations, type (public or private), objectives, experience and age and so on, which leads to differences in conforming with external and internal pressures (Oliver, 1991). For instance, public corporations have a slight chance of being able to conform to the pressures without the consent of shareholders

and other funders who are more interested in good financial returns in a shorter period of time (Gray, 2010). Equally, experienced and long- serving companies are believed to be better strategically positioned in adopting certain practices than the new and inexperienced ones. In addition, companies in social and environmentally sensitive sectors such as mining and oil and gas are more vulnerable to pressures than less social and environmentally sensitive counterparts. Furthermore, Hu et al. (2007) criticizes that paying attention to external forces is an insufficient reason to be a powerful influence on organizations' homogenization and if so then why are organizations so different in many aspects? To succeed, the theory aligns with the prevailing conditions of competing challenges revolving around companies, associations and the general society (Fredriksson et al., 2013). The question remains as to how efficient the managers are and what degree of engagement they provide in response to pressures targeting their organizations (Ahmadjian and Robbins, 2005) which has nothing to do with homogenization and differentiation.

7.7 Summary of the Chapter

This chapter discussed the key findings from the data collected and analysed in chapters five and six. It discussed the findings in light of the research questions by explaining CSR practices and how the beneficiary communities (recipients) perceive CSR contributions from companies. The chapter also discussed the motivations for and constraints against practising CSR. In addition, the chapter discussed the findings in light of the roles of institutions in the process of creating or encouraging CSR in the country. The chapter discussed how the theoretical framework of the neo-institutional theory has been useful in guiding the study and its application to multinational subsidiaries and local companies in Tanzania. Finally, the chapter provided the limitations of neo-institutional theory although it was useful in guiding the study. From these discussions, the study can proceed to provide concluding remarks in the next chapter.

CHAPTER 8

CONCLUSIONS AND IMPLICATIONS

8.1 Introduction

This study was carried out in response to the demand for international and national organizations, governments, NGOs and communities relating to companies all over the world to be more responsive with their practices and integrate the needs of different stakeholders in relation to CSR (Petkoski and Twose, 2003; Blowfield and Murray, 2011; Aras and Crowther, 2012). Thus, it investigated the MNEs and local companies' involvement in CSR in Tanzania. With this aim, this chapter provides conclusions and implications of the main findings in light of the problem statement, the literature, theoretical framework, and methodology and analysis chapters.

The rest of this chapter is structured as follows. The next section highlights the conclusion of the thesis by revisiting the research questions. Section 8.3 outlines the contributions of the study followed by recommendations in section 8.4. Section 8.5 details the limitations of the study. Finally; section 8.6 highlights issues for future research.

8.2 Conclusion of the Research Questions

The overall question of the study was to determine what, how and why the MNEs and local companies are involved in CSR practices in Tanzania. This broad question explored what companies actually do, the community perception on company contributions, the motivations and the influencing factors behind participation in CSR. The research being an interpretive paradigm and using multi-case study methodology was undertaken using multiple methods approach to better understand the phenomenon of CSR practices, motivation and influencing factors. SSIs and FGDs were employed to gain information from corporate managers, government and agencies, NGOs and community members respectively. In addition, a documentary study was also undertaken to determine the

documentation of CSR by government. Three kinds of questions were formulated in light of these methods and the concluding remarks of these questions are explained below.

8.2.1 The First Group of Research Questions

The first research question was oriented to the kinds of CSR practices undertaken by companies and the perceptions from community members regarding these practices. Consistent with the literature review, the study found that CSR is generally practiced by organizations in Tanzania on different levels depending on the nature of the community needs in their places of operations. Despite some challenges, companies provide CSR in relation to economic, philanthropic, ethical, environmental and legal practices. Additionally, organizations, other than corporate bodies, also participate in providing CSR to the community. The involvement of NGOs in activities described as similar to CSR, is an interesting finding. NGOs in legal and human rights, health and education sectors, among others, provide CSR in the form of cash, goods and volunteering. The four sub-questions which made up the first question are concluded as follows.

8.2.1.1 What is the most important CSR activities preferred by companies?

Corporate managers, government and its agencies, and NGOs are unanimous in relation to the important aspects of CSR that are considered relevant to communities in Tanzania. The CSR activities directed at health, education, water supply, empowerment and environmental concerns are regarded as the most important. The emphasis by the recipients of CSR is on sustainable contributions which have a long-lasting effect on improving life standards. Additionally, the study has exposed another sort of CSR called Corporate Social Responsibility and Empowerment (CSRE), which is advocated by the government and other stakeholders as more helpful than contributions through cash or the equivalent alone. CSRE aim to provide capacity building programmes to empower the recipients to undertake their own micro-enterprises and generate revenue (Achda, 2006). Empowering the population means providing a mechanism to deal with problems at an individual level to improve living standards and solve the persistent problems of poverty, diseases and ignorance facing Tanzania since independence in 1961.

8.2.1.2 What are the forms of CSR practices of companies in Tanzania?

CSR practiced in Tanzania is in the form of goods and services. The companies indicated that cash is very problematic as most of the contributions made in cash were not realized by the target recipients. The companies provide assets such as building materials, iron sheets, timber, bedding, mattresses, digging boreholes, school desks, and hospital equipment. When a community needs a certain contribution such as a dispensary, classroom, or toilet; the companies build the facility in consultation with local government in that location. Apart from contributing assets, the companies also provide volunteer services where they use their time and expertise to impart knowledge to stakeholders such as youth groups and micro and small entrepreneurs. This is because companies have knowledgeable professionals who are involved in teaching or training organized groups. However, cash is also provided in rare cases when a need arises and no other alternative is available.

To a large extent, the CSR practiced in Tanzania is oriented towards short-term issues and emergencies. Contributions to emergencies are carried out by all companies to provide relief in humanitarian aid to individuals who are affected by floods, ferry disasters, outbreaks of diseases, mass wasting and death while on duties and to disabled and orphanage centres. These donations are handed to the victims or recipients directly and sometimes they are handed to government officers who then pass them on to the intended persons.

The involvement of companies in CSR relating to long-term oriented activities has started to attract the attention of managers and community members. This is applicable when companies provide assistance with long-lasting impacts such as building infrastructures for the benefit of communities. Nevertheless, short-term and emergencies take precedence over long-term and sustainable projects.

8.2.1.3 What are the benefits and/or disadvantages realized by practicing CSR?

Companies create good relationships with community members and other stakeholders through CSR. In addition, companies realize strong investments in the areas they are located. This is because, through providing contributions such as dispensaries, school buildings,

desks and chairs; they are in fact helping citizens and their own employees. Through this, employees become more productive because they also enjoy the services and reduce the amount of time they would have spent travelling to access services in distant places where such services were not available. Communities also seek to support the company by accepting it as a legitimate citizen or through consumption of the goods produced. Companies also receive security from the communities or stakeholders they serve through CSR.

Partaking in CSR also allows companies to create an awareness and emotional connection with the products and services for customers, government and NGOs. That is, information is spread quickly about a company's product or service if it participates in CSR. Companies essentially realize these benefits in the form of goodwill when the goods and services they supply become accepted by stakeholders. For companies, accepting goods and services is what they are interested in as long as other benefits such as attracting more customers and employees improve the corporate brand image of their products and services. Overall, companies, through their CSR programmes, minimize the risks of misunderstanding between them and their stakeholders.

However, companies still experience challenges, though they do not amount to disadvantages. Community members expect more from companies and tend to get confused between CSR and the goods and services provided by government. CSR is voluntary in Tanzania as it is in many other countries (Griseri and Seppala, 2010). Once community requests are delayed or not accepted; they become unhappy. Also, some CSR recipients have ulterior motives in which case they try to misuse the contributions they receive for their own personal benefits. The contributions are stolen or misused before reaching the intended beneficiaries. This creates a problem as the beneficiaries think that it is the company who has cheated and supplied them with few materials or little cash. Also, when a company participates in CSR it creates a situation where it is exposed to receiving many applications from stakeholders which are beyond its ability to handle. The company then receives blame regarding applications not responded to or honoured. Additionally, local authorities use the companies' contributions to try to finance their budget deficits and thus lead to companies being caught up in politics meaning that smoother operations are less likely.

8.2.1.4 How is CSR perceived through the relationships between communities and companies through CSR?

Communities generally perceived companies as bad and not caring neighbours, disinterested in solving community problems and not creating employment opportunities. Although communities appreciated that they receive some contributions, they had no better relationships with companies. The reasons for poor relationships are due to lack of employment vacancies, poor compensation procedures, environment pollution and inadequate CSR contributions.

Community members in the two sectors of mining and oil and gas strongly condemn companies for offering very few employment chances to the local residents despite their promises. The community members had high expectations, which, however, were not fulfilled by companies. Even the jobs that need less technical know-how; casual or temporary roles such as driving, cleaning, and office attendants are not given to resident community members. It seemed that the employment system in the mining and oil and gas companies is full of nepotism.

Another reason for poor relationships is that those who are employed by companies did not get the correct compensation. Employed and temporary labourers get salaries below the minimum wage of that of the private sector. Temporary employees are paid less than they deserve. Furthermore, community members face serious communication barriers when interacting with company management. This leads people to be concerned that they could not interact with company management to find a way forward. The lack of communication channels had a significant impact on them and is one of the reasons for poor relationships.

8.2.1.5 What is the most important CSR contributions to communities?

Community members need those activities that support them in infrastructure such as building classrooms, health centres and dispensaries, water supply and employment creation. Many rural areas where the big companies in mining, oil and gas and manufacturing operate; are still lagging behind in terms of health, employment, poverty, education and water

facilities. Because of the lack in these areas, community members fail to distinguish between CSR and the legal provisions such as paying taxes to central and local governments. The community enforces companies to provide assistances as if CSR is mandatory.

Despite the benefits and important CSR they receive; community members evaluate companies as not doing enough, given the financial capabilities of the mining and oil and gas companies (Idemudia, 2007). They end up receiving meagre CSR contributions instead of high impact and far-reaching projects. The participants wished to see the companies support them with long-lasting projects such as a referral hospital, a university or a project of a similar nature. Generally, the communities residing in gold mines and oil and gas resource areas are still underdeveloped and such things like referral hospitals and universities are not available in their areas currently.

8.2.1.6 How does community benefit or experience disadvantages from companies' CSR programmes?

The benefits that reach communities include: cash donations for office administration in the locality, iron sheets for school buildings, and continuous road improvements. Also, some roads have been constructed to a bitumen standard, casual employment has been created, a girl's secondary school has been constructed, and there has been sponsoring and paying of tuition fees for secondary school children and sponsorship to train youths in vocational skills. Further benefits include: sponsorship of sports, health support, water projects and relief assistance to people affected by natural disasters such as floods, droughts and hunger. However, companies are blamed for creating several disadvantages such as polluting the environment and violating human rights. Companies in mining, oil and gas pollute the environment during blasting operations. The heavy blasts produce and send huge dust clouds that end up contaminating boreholes, settling on the roofs of houses, and causing cracks in the walls of houses. The water gets contaminated from chemicals and dust and hence becomes unfit for human consumption. These operations are carried out within short distances of human settlements, they are open pits with no blasting heavy house systems, and, thus, these communities are impacted negatively by the company's operations. Yet, community members feel that, the companies do not provide enough CSR contributions.

Even the contributions they receive take too long to obtain and cannot help to transform the lives of the people in the surrounding neighbourhoods.

8.2.2 The Second Group of Research Questions

The second category of research questions was directed at the motives behind companies' participation in CSR in Tanzania. The motives were categorized into internal and external factors. The following is the concluding remarks on the motives under each and every sub-question.

8.2.2.1 Why companies are motivated internally to practice CSR?

Companies are motivated internally to practice CSR in Tanzania due to legitimate concerns. The companies' programmes and policies are tailored through the support of top management. Managers programme their businesses by including communities' needs in their areas of operations. Companies are also motivated by ethical behaviours which require them to behave ethically or morally in their operations so that no harm is caused. Furthermore, companies participate in CSR in order to protect the reputation they have built (Detomasi, 2008; Belal and Owen, 2007). It is accepted that companies in the extractive industry such as gold mining and oil and gas can have a difficult time with community members until mutual understanding occurs. When a mutual understanding is achieved, companies become more careful and punctual with the needs of stakeholders for the purpose of restoring and maintaining their reputation.

Companies ensure internal motives are realized as they help to shape their direction in terms of goodwill to customers, employees, government, NGOs and other stakeholders. Goodwill or reputation gains them a number of benefits such as creating and portraying a good image to the public, obtaining a licence to operate and achieving stakeholders' loyalty (Kehbila et al., 2009; Kabir and Akinnusi, 2012; Momin and Parker, 2013). Thus, internal motives essentially benefit the companies in winning the hearts of various company stakeholders (Hamman, 2004; Arevalo and Aravind, 2011).

8.2.2.2 Why companies are motivated by external factors to practice CSR?

The external motivating factors are triggered by the parent companies, international and local standards setter organizations and institutions of the host country (the government of the host country, pressure from NGOs and regulatory bodies) for legitimacy concerns while abroad.

The external motivations for companies to practice and indulge in various CSR programmes in Tanzania are brought about by instructions emanating from MNEs parent companies (Newell and Muro, 2006; Ararat, 2008; Belal and Momin, 2009; Momin and Parker, 2013). Some of the parent companies ask their subsidiaries in Tanzania to abide by practicing CSR; while others are led by a policy framework set and programmed by the parent companies. It is appreciated that in all situations, whether instructed by parent companies or adhering to policies generated by headquarters, all is about practising CSR. The companies which follow policy guidelines are free to undertake CSR under their own initiatives, including the accomplishment of the objective of being good and doing well with citizens as they continue to operate and grow in Tanzania.

Companies are also motivated by international and local organizations to undertake CSR (Bansal and Hunter, 2003; Ciliberti et al., 2008). Companies in the manufacturing (cement) sectors have adopted ISO standards regarding the limit and the amount of dust emissions they can have from their operations. In the mining sector, the international convention on environment conservation is used along with local MDAs formed in collaboration with the government of Tanzania. There are companies which are motivated by the UNGC such as those from the telecommunications sector, where their CSR practices are directed towards the ten principles ingrained in the Global Compact initiatives. So, they reflect one or more items and concentrate on them in their programmes. The companies in the banking and financial sector are motivated by the Equator Principles (2006), especially those that emphasize environmental conservation and sustainability issues. Yet, other companies follow the norms and standards generated by local organizations of TFDA and OSHA to direct companies to observe health and safety and caring about customers and the community generally.

Companies operating in Tanzania and elsewhere are not free to accomplish their plans and programmes regarding CSR activities due to influences of government agencies and NGOs guide the conduct of CSR by companies (van Tuijl, 1999; Guay et al, 2004; Frumkin and Galaskiewicz, 2004; Beddewela and Herzig, 2013). There was no sufficient evidence to understand how the government of URT directly influenced the companies through any forcible mechanisms. This is because so far in Tanzania CSR is not mandated. Thus, the government cannot enforce companies. However, the government regulation requires companies to pay some amount of cash for development purposes through the district councils in which the gold mines are located. Apart from this agreement, there was no other evidence to suggest any enforcing mechanism for the government to make companies comply with CSR.

A notable influence comes from government agencies, which are mandated by law (Guay et al., 2004; Beddewela and Herzig, 2013) to enforce punishments in the form of heavy penalties and stoppage or halting of operations of companies that pollute the environment and or commit other violations. The government agencies enact and take actions that constantly shape the conduct of the business entities (Frumkin and Galaskiewicz, 2004). As such, in Tanzania, MNEs and local counterparts cannot be given licences to start their operations unless they have provided details of the environmental impact assessment checklist. The MNEs and local companies' registration procedures follow the requirements of their respective agencies. Any violation afterwards attracts financial fines and penalties. Where companies are found guilty of environmental misconduct, their operations are halted and only allowed to proceed after ensuring correction of the anomalies have been undertaken. Similarly, mining companies abide by the clauses relating to CSR contained in the MDAs agreed upon by the audit agency. However, the scope and coverage of the audit agency are limited to the mineral sector only. The agencies are also responsible for discussing CSR activities with investors and once these discussions are agreed, they become binding and subject to inspection to determine compliance or not.

Further mechanisms through which companies practice CSR come from NGOs (Guay et al., 2004; van Tuijl, 1999). NGOs exert pressure on companies through their campaigns, publicity and legal backing to ensure transparency and responsible programmes and policies

for communities (McBarnet, 2009). The NGOs raise the alarm to inform the public and government about the bad conduct of companies relating to employment and labour rights, the environment, land grabbing, corruption scandals and many other forms of unacceptable practices. There are incidences where companies are taken to a court of law by NGOs in support of community members deprived of their compensation, labour and human rights. All cases filed in courts have been won and companies were fined heavily and ordered to compensate the affected community members. These fines and penalties are deterrents against violations relating to CSR. Companies, thus, participate in CSR in order to be closer to communities to gain mutual benefits.

8.2.2.3 Why companies are influenced by beneficiary groups?

Finally, community members from the areas surrounding companies are other influencing factor in CSR. Communities raise their voices to pressurize companies in case there is any misbehaviours or violation of rights; mainly through two mechanisms. First, the community lodges a complaint through the government and their local leadership in order to enforce companies to correspond to their demands. Complaints are useful as a means to send a message to companies regarding the dissatisfaction of community members. Normally complaints are highlighted through word of mouth and sometimes through the elected local representatives such as ward councillors, members of parliament and village administrators. Sometimes communities organize mass demonstrations against companies misconducts and the consequences have had far reaching impacts in affecting both companies and community members financially and health wise (Holterman, 2014; Poncian and Kigodi, 2015). Nevertheless, mass demonstrations have helped to shape the conduct of the companies. Companies have resorted to CSR as a way to provide a good operating environment and to avoid media attention and national and international public outcry. The recent demonstrations by community members in the oil and gas sector against the government decisions to process gas in Dar es Salaam instead of Mtwara (Calvano, 2008; Moss, 2013) resulted in the government and companies finding a better way to accommodate the needs of the communities through CSR. However, demonstrations are not common and communities in Tanzania are generally tolerant.

8.2.3 The Third Group of Research Questions

This question concerned the roles of institutions (government and agencies, and NGOs) and beneficiary groups in promoting CSR through incentives, awareness, directives, and actions and their consequences to the practices of CSR of companies in Tanzania.

8.2.3.1 How government and its agencies play roles in CSR?

The government role in promoting CSR is evidenced in the form of partnering, dialogue and endorsing companies to participate in it (Fox et al., 2002; Albareda et al., 2008). Government officers hold talks to request companies to support Tanzanians in various forms such as projects aimed at improving the lifestyles of communities in rural areas and sponsoring students in higher learning institutions abroad and in local universities. Most scholarships relate to oil and gas courses as an introduction to the sector. This initiative is particularly led and monitored by the minister of energy and minerals of URT.

Furthermore, the government of Tanzania offers tax exemptions and incentives of capital deductions on capital goods to MNEs (TIC, 2014) and local companies that participate in CSR to encourage investment. The government and companies interact to discuss how the latter can actively participate in helping communities through CSR. Through these interactions, companies promise to participate in various CSR activities for the communities (Fox et al., 2002; Albareda et al., 2008). Recently, the government of Tanzania established policy guidelines in the minerals and oil and gas sectors to ensure companies follow some basic procedure on CSR as a voluntary practice (URT, 2009; 2010). Most of the areas emphasized in the policies relate to environmental protection and caring about the communities surrounding the companies' places of operations.

In addition, the government agencies hold discussions on how companies are going to take care of environmental issues and the communities residing in the vicinity of companies' areas of operations. The agencies discuss and request companies be socially responsible to people in all areas where mining, oil and gas, manufacturing and other companies operate. However, the environmental agency is responsible for ensuring regulations on the

environment are followed along with other CSR issues such as social, economic and philanthropic domains. Consequently, the agencies negotiate with companies to ensure that they voluntarily participate in these forms of CSR.

8.2.3.2 How NGOs play roles in CSR?

NGOs also have roles to play through incentives, directives and dialogue. The NGOs provide incentives by encouraging companies and other NGOs to actively participate in CSR. Some activities undertaken by NGOs have resulted in collaboration and partnership with the government and companies, especially in youth programmes and health services (Mantel et al., 2007; Harangozo and Zilahy, 2015). Where these NGOs provide technical expertise; companies provide resources to accomplish the projects. Similarly, NGOs are acting as providers of CSR in the same way companies do. This is because they also supply goods and services in education, infrastructure and community awareness of various rights. The NGOs in labour and human rights have launched an annual corporate award and the best journalist awards for companies and journalists actively practising and reporting on CSR focusing on human rights, labour rights and environmental protection, respectively. These incentives act as a motivation for companies and individuals to participate CSR. Likewise, NGOs encourage stakeholders such as individuals, companies, and governments to support their services by contributing in the form of materials and expertise to relieve needy communities. In addition, other NGOs have conducted research where the results are dialogues with individuals and companies to find common solutions to the problems facing communities. The research findings are used by NGOs as a platform to discuss the way forward with companies' management teams. To extend the dialogue, NGOs organize roundtable discussions with companies on issues affecting communities around the companies' areas of operations and how the problems can be neutralised.

8.2.3.3 How beneficiary groups [community members] play roles in CSR?

The communities surrounding companies' areas of operations also play a role through meetings and writing requests to companies' managers regarding the effects they cause in their operations. Communities organize meetings and invite corporate managers to attend so that they can extend requests relating to those issues earmarked as important to their lives, such as health, education, employment, and programmes to eradicate poverty. Furthermore, community members, through their local leaders, organize and write formal applications to companies in order to be supplied with certain goods or services through CSR. Even if the system of convening meetings and letters of requests does not guarantee a good response, it is useful in reducing the barrier of communication as company and community come together and share ideas on how they can further improve CSR. In general, companies have their plans which may not necessarily be affected by the community's demand, but it remains one of the best procedures to enforce companies.

8.3 Contribution of the Study to the Body of Knowledge

Generally, this thesis was conducted with an interest in providing an overall knowledge of CSR practices in Tanzania by integrating views and experiences from various stakeholders (companies, government and agencies, NGOs and community members). With this general outlook in mind, it realized important contributions to academic, theory and practice in the area of CSR from the context of the developing country of Tanzania. The research contributes to the body of knowledge in five main areas; specifically, the understanding of CSR practices in Tanzania, the literature review, the methodology, theoretical framework and stakeholder CSR framework.

8.3.1 Understanding of the CSR Practices in Tanzania

The thesis offers a number of useful and relevant contributions. First of all, it contributes to the understanding and expanded knowledge of the practices, community's perceptions, motivations and the roles of institutions relating to CSR in Tanzania. The thesis highlights these contributions bearing in mind that prior studies were limited in scope and coverage of

the phenomenon. There is evidence of the dearth of studies in Tanzania especially relating to motivations, and institutional mechanisms that lead to companies' involvement in CSR (see Egels, 2005; Emel et al. 2012; Lauwo and Otusanya, 2014). This study has established the reasons for these phenomena. The study has also brought an understanding of the forms of CSR contributions which are in both cash and material forms. However, the material form or long-term assets are preferred by stakeholders in Tanzania as they have a long-term impact. Essentially, activities directed to building infrastructure such as dispensaries, classrooms, bore holes, empowerment and scholarships are more acceptable as they help communities get out of abject poverty in rural areas. Likewise, communities perceived the relationships with MNEs and local companies as poor. Companies seem to side-line the interests of the communities by employing fewer people and paying low wages compared to the standard wage rate. Essentially, the benefits derived from CSR are less than the disadvantages they cause (Idemudia, 2007).

Furthermore, undertaking research in different sectors of oil and gas, mining, manufacturing, pharmaceuticals, and telecommunications, is another contribution of this research. Previous studies in Tanzania, as stated in chapter two, focused primarily on mining companies only. This research highlighted the need to study CSR in different sectors with a view to understanding how the companies respond to the call to take part in CSR. This is one of the first studies which embarked on using four key actors in CSR not only in Tanzania but also other developing countries, to understand what, how and why companies participate in CSR. The essence of this combination was to establish the interactions among these actors and how they are involved in persuading companies to practice CSR.

The study involved company managers, senior government and agency officers, and NGO managers who participated in interviews is an experience which counts as knowledge. This is because the processes and procedures used to invite these officers to participate in the study were a difficult experience which consumed resources and time. Again, the study established the most important CSR contributions from providers, recipients, government and NGOs points of view. In addition, the influencing mechanisms to make companies practice CSR and the relationship between communities and companies were explored.

8.3.2 Contribution to Literature

The second contribution of this thesis is that it has added to the literature on CSR in developing countries. There are contentions that CSR has been part of the African tradition and has been practiced since time immemorial (Post et al., 1999; Waddock, 2008; Crane et al., 2014). However, this is based on an individual level and the way CSR is being practiced from a corporation's point of view is new and has recently come about in the developing country context. Because of this, there is a paucity of literature and empirical studies conducted in this context. This thesis complements the previous few studies in CSR generally in developing countries (Idemudia, 2011), and Tanzania in particular. The literature review, which was extensively covered, is relevant not only to Tanzania but also in other developing countries in South America, Asia, Africa, the Middle East and Eastern Europe. Even if the developing contexts differ in terms of CSR coverage and studies, it is generally accepted that they are still few in comparison to advanced economies (Rahaman et al., 2004; Hanifa and Cooke, 2005; Raman, 2006; Amalados and Manohar, 2013). Furthermore, the basis of the literature review chapter of this thesis was on articles and other publications undertaken in the developing country context. So, it informed how CSR studies have been undertaken in this context and complements the prior few and dispersed studies in terms of country specific. Indeed, the study contributes to the understanding of the phenomenon under investigation and provides a reference guideline for future research in Tanzania and in other contexts.

8.3.3 Methodological Contribution

Prior studies conducted in developing countries and Tanzania were reliant on quantitative methods. Even those that employed qualitative methods were not based on a multi-method approach. The use of a multi-method approach of semi-structured interviews, focus group discussions and government documents in addressing CSR is another contribution. The interviews and FGDs examined different questions which focused on issues that brought robust findings from the companies, regulatory and recipient's point of view. Furthermore, the study used a combination of various participants to complement the methods employed in prior studies (see Egels, 2005; Emel et al., 2012; Lauwo and Otusanya, 2014) on CSR in

Tanzania. The documentary method used in addition to interviews and FGDs highlighted the government initiatives to recognize and hence document CSR in policy books. This is a big achievement as it may be the beginning of fully documenting and legalizing CSR in Tanzania. The combination of corporate managers, government and its agencies, NGOs and community members is particularly relevant in examining CSR practices, motivations and influencing factors on CSR in Tanzania. CSR practices are an undertaking which looks at different stakeholders and their interactions. Hence, this combination played a big role in bringing about these findings.

8.3.4 Implication of the (Neo-Institutional) Theoretical Framework

Yet, another important contribution this thesis brings is the reflections on the theoretical framework. This thesis employed the neo-institutional theory using its three strands of coercive, mimetic and normative pressures (Meyer and Rowan 1977; DiMaggio and Powell, 1983; Dacin, 1997). These three strands were applied in this context. Prior literature in Tanzania and developing countries show inadequacies in using this theory. Importantly, the theory has addressed the research questions and led the information collected to reflect the views and comments from research participants. Coercive isomorphism is caused by parent companies, regulatory bodies, NGOs and community pressures while mimetic isomorphism is caused by invitation of the public and local government officers during handover of CSR projects and awareness campaigns to encourage other companies to practise CSR. The normative strand is due to following the norms outlined by international and local institutions and organizations. International organizations include the UNGC, Equator Principles, and ISO standards. Furthermore, the source of normative isomorphism is local institutions such as TFDA, MDAs and OSHA among others. Using this theory has led to increased knowledge on the understanding of what, how and why companies practice CSR in Tanzania. It demonstrates resulting isomorphic pressures as reflected in the conceptual framework in the figure. 3.1. Figure 8.1 below demonstrates that the three research questions were responded to using the three strands of neo-institutional theory as a mechanism which led companies to adopt and practice CSR in Tanzania.

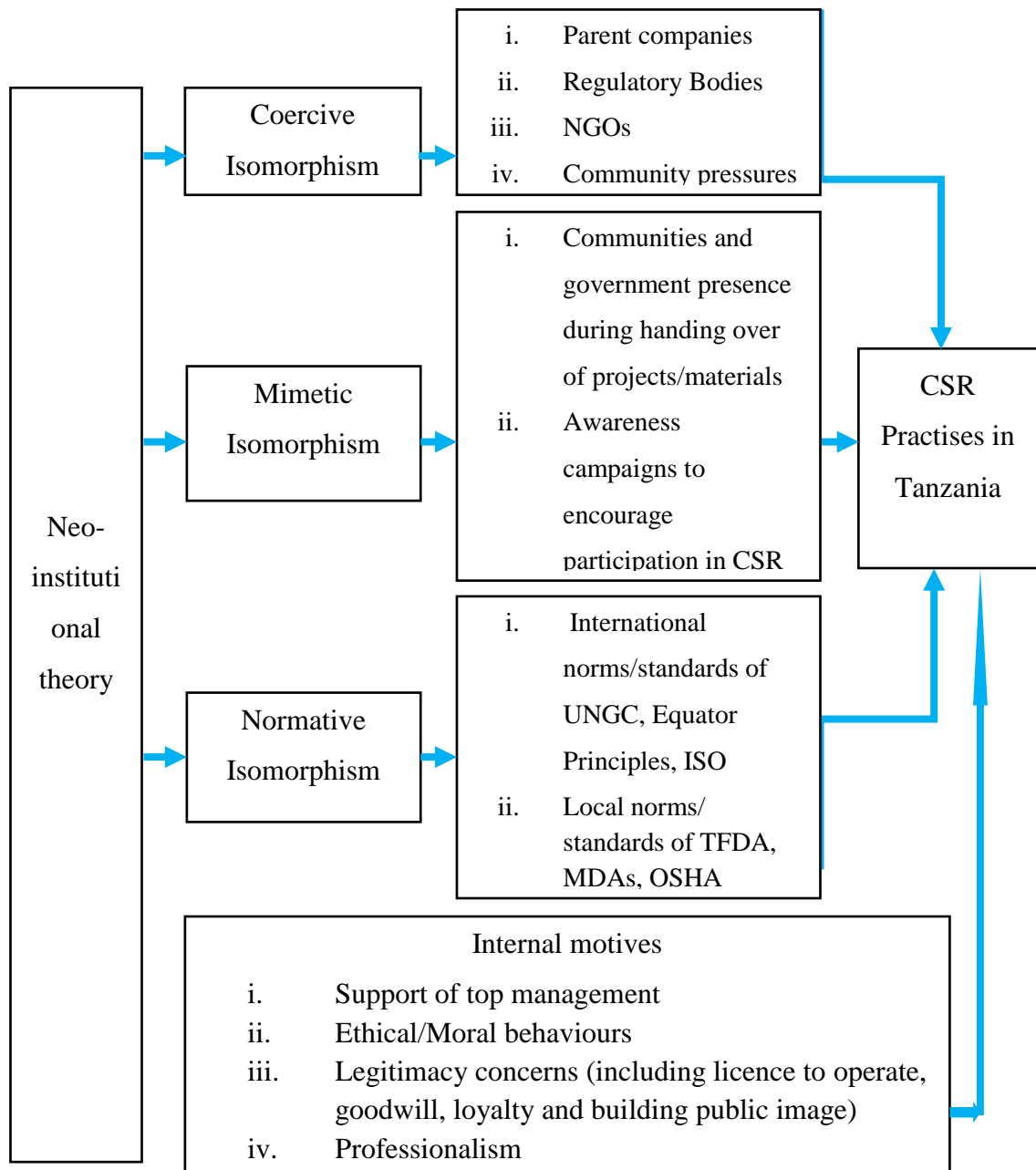


Figure 8.1. Neo-institutional theory and the resulting isomorphic pressures

8.3.5 Stakeholder CSR Framework

Similarly the thesis contributes by designing a stakeholder framework to be used in order to bring about the future improvement of CSR practices. The research involved four main actors or stakeholders in CSR. This framework, if used by these stakeholders, will help them to minimize the current challenges and reduce misunderstandings. Figure 8.2 below is a proposed framework for CSR stakeholder engagement in Tanzania. The importance of this framework is to ensure that the actors in CSR activities are in agreement with decisions and agreements they make to ensure mutual understanding among stakeholders.

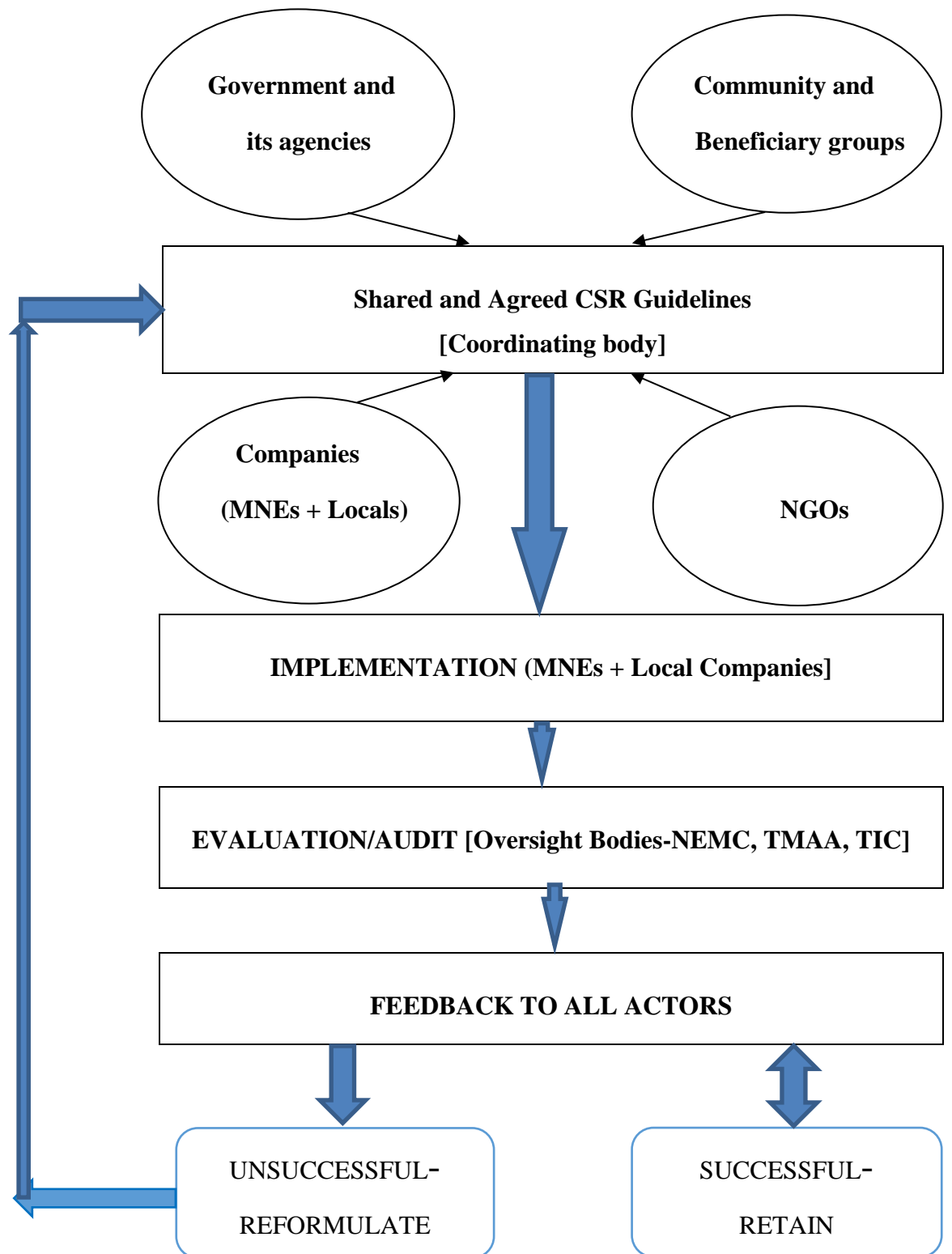


Figure 8.2 a Proposed Framework of CSR Stakeholder Engagement in Tanzania

The proposed framework above was developed in light of the research findings. The four key actor stakeholders were unanimous that CSR is important and worth doing by all companies in Tanzania. Furthermore, the findings indicated less and disconnected interactions between government and its agencies, NGOs and community within the realm of CSR on one hand and less unreliable interactions between companies, NGOs and community members on the other. To create a harmonious relationship between the actors and reduce the potential conflicts and or misunderstanding in the future; it is crucial that the CSR framework is implemented.

This framework will be used as a point of reference for the interactions and discussions of representative members from all four key stakeholders to come up with shared and agreed resolutions on a win-win situation. The framework should also allow other stakeholders such as decision makers, policy writers, law enforcers, beneficiaries, and the community in general to bring and share their ideas and contributions towards corrections or provide an avenue for improved future performance.

In addition, this framework responds to a series of misunderstandings that have arisen recently with community dissatisfaction relating to the processes and procedures of investment programmes of MNEs and local companies. These misunderstandings which have seen the communities question the legitimacy of the companies in undertaking activities responsibly have resulted in loss of life and wealth of the citizens, policemen and the property of government and companies as well (Hilson, 2012; Moss, 2013; Holterman, 2014; Poncian and Kigodi, 2015). The framework, if utilised, may be a mechanism to reduce misunderstandings through dialogue among stakeholders on the pertinent issues affecting the wellbeing of communities in places where companies have invested (Calvano, 2008).

The framework suggests a coordinating body which organizes selected representative members from all four categories, and therefore oversees the overall implementation of the agreed plans. Thereafter, the coordinating body will task the overseeing bodies such as the NEMC, TMAA and TIC or any other body to make the assessment, audit and/or inspection of the agreed programmes and share and discuss the feedback among the representative

members. The feedback will highlight whether or not the programmes are successful or not where the latter would require reformulation.

8.4 Recommendations for Practical Applications

The practical recommendations this thesis provides are twofold. First, the recommendations are directed at government policy and decision makers regarding CSR practices. The second recommendation is aimed at companies about how well they can improve their CSR contributions.

8.4.1 Recommendations to the Government

The government of URT has established a group to formulate guidelines to guide business and CSR activities in the mining and oil and gas sectors (URT, 2009; URT, 2010; URT, 2013). These guidelines are the milestones which aim to reduce tensions between the actors. While this step is appreciated, the guidelines are prepared without consulting different stakeholders who are key in the decision-making process. CSR practices cater for the needs of many and varied stakeholders among which are the government itself and its agencies, corporate bodies, NGOs and beneficiary groups. Consequently, putting in place a guideline from the perspective of the government only may not be the best solution for other problems and issues being raised by other stakeholders. This thesis recommends that the government should take initiatives to include other stakeholders when formulating guidelines oriented towards enhancing CSR.

Likewise, CSR education should be passed on to stakeholders. Community members cannot differentiate between CSR and the legal obligations of companies to the government to the extent they consider CSR contributions as compulsory and legally binding. They have no knowledge that CSR is voluntary and that companies have discretion to undertake it or not. In fact, companies provide CSR just to be good citizens, but when they don't do so, they are blamed by the communities and NGOs. However, it is expected that companies are bound to the legal and ethical practices without any outside influences from community members, the government and NGOs.

There is a need, therefore, to provide some form of training to company workers, community members, NGOs and government officers in order to generate an understanding of what CSR is, its roles in meeting development challenges and harmonious stakeholder relationships. This training would offer clear guidance on what CSR is and what it is not, to reduce any ambiguity in the minds of stakeholders. To facilitate this, the training can be organized by companies, government and NGOs; individually or collectively.

The final recommendation to the government this thesis highlights is on the following of employment contracts by the responsible authorities. There are flaws in abiding by employment contracts by companies, especially in the mining and oil and gas sectors. Companies also do not observe employment contracts, labour and compensation rights in their operations. It was established that many participants were mistreated by companies they have worked for, along with being paid below the minimum wage of that in the private sector. Furthermore, companies employ foreigners to carry out work that would not be technically complicated for local people to do. Community members and NGOs have raised concerns, but their demands have not been honoured. There is a need for the government to seriously address and intercept MNEs and local companies to ensure they are not only responsible for philanthropic CSR but also for legal CSR. As the literature informs us, CSR of companies entails them being responsible for social, economic, philanthropic, and legal and environment protection (Carroll, 1979; EC, 2006; Dahlsrud, 2008). Companies should be reminded of these responsibilities due to complaints from community members about their misbehaviour.

8.4.2 Practical Recommendations for Companies

Overall, the thesis recommends the following to the companies in Tanzania if CSR is to benefit more stakeholders.

First, companies must pay attention to the needs of communities. In most cases, companies offer CSR contributions in regard to their own internal arrangements and to requests presented from community members. Problems arise with the latter where there is a communication breakdown between the community and companies (Idemudia, 2007).

Companies take too long giving feedback and information to needy communities and other stakeholders. This situation makes the community unhappy, so much so that they can cause damage to companies. To remove the communication barrier between companies and the surrounding population, companies should keep records of any agreements made with communities and provide feedback. Of course CSR is another expense, which must have a budget like other expenditures. When communities do not receive feedback on their requests, they feel that they are being ignored, a situation which creates some misunderstanding.

Second, company managers are also reminded to undertake CSR activities that aim to improve the standards of the recipients by engaging in long-term oriented programmes. All community members, the government and its agencies and NGOs should propose more sustainable activities than just short-term oriented ones. Long-term projects have a far reaching and positive impact on the wellbeing of stakeholders. Activities that are oriented to long-term infrastructure such as building schools, dispensaries, employment creation, training the entrepreneurial skills and other forms of empowerment would realize more benefits. A large portion of Tanzania's population needs empowerment programmes so that they can stand on their own feet in terms of socioeconomic activities.

Third, companies are encouraged to bear two things in mind when undertaking CSR. First and foremost, companies have to live up to the promises made to beneficiary groups. In most cases, the companies in the mining sector neglected to fulfil the promises made when interacting with communities. They must realize that stakeholders will not forget what they are promised. When these promises are not realized, the image of a company is tarnished. It is a shame that promises such as contributing iron sheets for one classroom took more than two years to mature. Furthermore, companies are supposed to observe employment contracts, labour and compensation rights which is another form of CSR. Temporary labourers are paid amounts below the minimum wage standards, with a company's salary scale being far higher than what labourers earn. It is unreasonable for big companies such as those in mining to pay below the minimum wage whilst claiming to practise CSR.

8.5 Limitations of the Study

This study was limited by being unable to obtain many companies from different sectors. Initially, the study intended to conduct at least four interviews with managers in the sectors of oil and gas, mining, manufacturing, banking and financial services and telecommunications. However, the final sample (see table 3) contained one company in oil and gas, one company in mining, two in manufacturing, three in banking and financial services and one in the telecommunication sector. Despite formal contact and additional reminders regarding the nature and intention of the study that were initially sent to targeted companies; the researcher was not able to gain access and permission to interview more than the final sample. Although the purpose of the study has been accomplished, it was however strange to see that managers in highly ranked organizations had the tendency to shy away from research. In essence, the research intends to uncover phenomenon that can be useful to companies themselves and other stakeholders. This tendency in a way is at parity with community members and NGOs in Tanzania who feel that most companies have ulterior motives.

The second limitation concerns the FGDs. Due to the nature of the economy, some of the sectors were visible enough to be able to attract the attention of community awareness. It was necessary for this study to select those sectors that are widely known by community members who have experienced conflicts with surrounding societies. For this reason, the study used sectors with these attributes and from which respondents were aware and able to explain in detail any issues. The FGDs were conducted in the gold mining and oil and gas sectors. Other sectors with less visibility because of the nature of their activities were excluded. However, leaving them out was not meant to imply they were less important; but rather to accommodate selected big companies for exploratory purposes.

8.6 Recommendations for Future Research

Despite the fact that this study has exhausted the research question under investigation and participants from four important sectors were studied; the following further research is worth recommending.

8.6.1 Studies in specific sector areas using another methodology

This study employed a multiple case study methodology in mining, oil and gas, manufacturing, telecommunication and pharmaceutical sectors, NGOs and communities using SSI and FGDs. There is a need to carry out studies that are oriented to covering more companies from diverse economic sectors. Further studies could be carried out using another methodology approach such as survey questionnaires. Such a methodological approach and questionnaire as a data collection method can be used to obtain information from a large number of respondents (Flick, 2015) from company managers, employees and recipients of CSR across sectors in the country. A questionnaire which uses a large sample can provide interesting findings. A multi case study approach, although appropriate to understand factors or reasons for a certain behaviour of an organization (Ghauri and Gronhaug, 2005), it fails to accommodate many participants at once. Similarly, using a properly designed questionnaire reduces interviewer bias inherent in the SSI (Gray, 2014).

8.6.2 Small and Medium Size Enterprises (SMEs)

In Tanzania, small and medium enterprises (SME) are one of the most important contributors to economic and social development in addition to MNEs and other local companies. SMEs also provides employment, goods and services, and revenue in the form of tax and other statutory contributions. It would be appropriate to explore, describe, explain and determine how SMEs are interested and motivated to practice CSR. This thesis has been conducted in respect of large MNEs and local companies only. Therefore, embarking on a study in the SME sector would provide other experiences and contributions to literature and the body of knowledge.

8.6.3 CSR and its Reporting

This thesis has been carried out using a qualitative approach regarding the practices of CSR. Any future study could also examine the reporting aspect using various methods that are rooted in a quantitative paradigm such as content analysis to determine the reporting of CSR from annual reports, websites and/or newspapers. Evidence suggests that there is no known

study, which is believed to have applied quantitative methods to determine the reporting attributes of CSR in Tanzania. A study like this could bring interesting findings.

8.6.4 CSR within Community Owned Businesses

In Tanzania like other countries, one of the ways to determine a successful person is one who owns a family business. It is also imperative to undertake studies that will target the individual lived experience (phenomenology) of local successful family businesses and determine how and why they take part or not in CSR. This phenomenological study would bring another contribution to literature and practice in the context of Tanzania, where studies directed at individual successful businessmen have not been undertaken before. As Marshall and Rossman (2011) put it, phenomenological studies are intended to provide the exploration, description and analysis of meaning provided by a person lived experience. This implies that successful family-owned enterprises can provide their perception about, and make sense of and talk about their journeys towards to running successful business ventures and how they are connected in CSR.

8.6.5 Studying CSR using other theories in accounting and finance

Despite the neo-institutional theory being useful in this study, it is also important to note that CSR dimensions can be studied using other closely related theories such as stakeholder theory, media agenda setting theory and legitimacy theory (McCombs and Shaw, 1972; Suchman, 1995; Deephouse, 2000; Griseri and Seppala, 2010; Islam and Deegan, 2010). Using the stakeholder theory might generate interesting findings in relation to how stakeholders align with CSR. The media agenda setting theory is also useful in determining the relevance of news in the media and how they bring attention to the public regarding CSR activities. The media agenda could be studied relating to information sources such as newspapers, websites, annual reports and TV news among others. The legitimacy theory is concerned with the reasons why companies elect to participate in reporting phenomenon such as CSR and show the legitimate concerns of constituents (Suchman, 1995; Scott, 1995). Thus, using one of these theories to study CSR could generate further contributions to literature and the body of knowledge.

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List of Appendices

Appendix 1: Interview Guide for Companies

Date:

Time:

Location/Office:

Name of interviewee:

Designation:

Introduction

My name is Ibrahim Ramadhani Kikwiye, a lecturer in accounting and finance at the Institute of Finance Management-Dar Es Salaam and a PhD student at Anglia Ruskin University in the United Kingdom. I am here as introduced by the Institute of Finance Management and the Anglia Ruskin University letters for the purpose of collecting data on the study entitled the *‘Multinational and Local Companies’ Corporate Social Responsibility Practices in a Developing Country: A Multi-stakeholders Perspectives in Tanzania*’.

In this study, I kindly request you to contribute through answering the questions I am going to raise. The questionnaire is not too long and on average it will take one hour or so. The study wishes to understand what, how and why companies are interested in CSR practices. Furthermore, I seek information about the kind of practices, why companies are motivated in CSR, and the roles of government, agencies, NGOs and community members in undertaking the CSR practices.

This study is conducted in line with the ethical guidelines such as consent to participate, anonymity, confidentiality in reporting the findings and avoidance of any harm arising in this course.

If you wish, I can send you the summary of the discussions I will make with you.

Please feel free to participate and provide information that you think describe the phenomenon under investigation.

Questions

Question 1. What are the CSR practices of companies operating in Tanzania?

What is the most important activity preferred by companies?

- i. [Does the company engage in CSR] In what forms do you practice in CSR? [i.e. cash donations, volunteerism, philanthropy, legal, economic, donations in kind, capacity building, and awareness]
 - [Probe] what is the basis of the contribution to the community? Does it depend on budget or percentage of profits earned?
- ii. What do you think is the most important activity of CSR for the Tanzania society?

[Probe] Can you explain why you choose that/those activity/activities as most important?

What are the forms of CSR practices of companies? [Emergencies, short term or long term]

- i. Can you explain how the CSR takes into consideration about emergencies?
 - [Probe] Why (or why not) the emergence or short term involvement?
- ii. How is your CSR oriented into long-term programmes?
 - [Probe] Why are you interested (not interested) in long-term programmes?

What are the benefits or costs realized by practising CSR?

- i. Can you explain the benefits realized by the company by participating in CSR?
- ii. What disadvantages does the company experience while practicing CSR?

Question 2. Why companies are motivated to practice CSR in Tanzania?

- i. Why is the company motivated internally to undertake CSR? How do you see the top management and employees supporting CSR in the company?
- ii. As a subsidiary how does the parent company influence you in practising CSR?
- iii. Do you follow any industrial norms shared with peer companies in practising CSR? How do you operationalize that?
- iv. How does the government of Tanzania influence you in practising CSR?
- v. Are there any influences from NGOs? Can you elaborate more on how NGOs influence you?
- vi. How are you influenced by the beneficiary groups?
- vii. What influence do you get from regulatory bodies such as NEMC and others, to ensure companies become more compliant with CSR?
- viii. Is there any other motives behind the company's participation into CSR?
- ix. Is there any more comments or additions you wish to make regarding this discussions and the CSR generally in Tanzania?

Appendix 2: Interview Guide for Focus Group Discussions with community members

[Translated from the *Kiswahili* language]

Date:

Time:

Location/Village:

Sector: (Mining and/or Oil and Gas):

List of the Names of Participants:

S/N	First Name	Second Name	Age	Gender	Leader (Tick ✓)	Member (Tick ✓)	Signature
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							

Introduction

My name is Ibrahim Ramadhani Kikwiye, a lecturer in accounting and finance at the Institute of Finance Management-Dar Es Salaam and a PhD student at Anglia Ruskin University in the United Kingdom. I am here as introduced by the Ministry of Minerals and Energy of the United Republic of Tanzania through the Resident Officers in your district/region, for the purpose of collecting data on the study entitled the *“Multinational and Local Companies’ Corporate Social Responsibility Practices in a Developing Country: Multi-stakeholders Perspectives on Tanzania”*.

In this study, I kindly request you to contribute through answering the questions I am going to raise. The questionnaire is not too long and on average it will take one hour or so. The study wishes to understand how the relationships between communities around and the mining/oil and gas companies, the perceptions, the most important CSR contributions, the benefits and or the detriments you experience from the company’s involvement with CSR in your locality. Furthermore, I seek information about the relationship or interaction you have with the government (local and central) and the NGOs.

This study is conducted in line with the ethical guidelines such as consent to participate, anonymity, confidentiality in reporting the findings and avoidance of any harm arising in this course.

If you wish, I can send you the summary of the discussions I will do with you.

Please feel free to participate and provide information that you think describe the phenomenon under investigation.

Questions to FGD with communities

Gold Mining Companies

First Group-Mining

1. (ii) How do beneficiary communities perceive CSR activities?

How is CSR perceived through the relationship between communities and companies?

- (a) As people living in this vicinity, how do you perceive the relationship between mining company and surrounding communities in terms of CSR?

What are the most important CSR contributions to communities?

- (a) What is the most important contribution do you need as a community in this location?
[Probe] why these kinds of contributions?
[Probe] how often do you receive these contributions from the mining company?

How does community benefit or experience disadvantage from companies' CSR practices?

- (a) What kinds of benefits do you realize from the mining company?
- (b) Can you explain about the detriments caused by the company operations in this area?

3. (iii) How beneficiary groups [community members] play roles in CSR? [Meetings, written messages and other means of communication] CSR practices of companies in Tanzania?

- (a) Do you have stakeholder meetings with gold company, government (local or central) and the community regarding projects or programmes most important for the community around?
- (b) How do you cooperate at local administrative level to interact with company management for CSR consideration? [meetings and send requests to companies]
[Probe] do you have a follow up committee after agreement on certain projects?
- (c) How do you evaluate the involvement of the government at local levels in ensuring companies take part in CSR?
- (d) How do you see NGOs take part in ensuring companies practice CSR through awareness campaigns and trainings?
[Probe] Has there been agreement between district council and the community on certain projects which has not been implemented? [If yes] can you explain more?
- (e) Is there anymore contributions on the relationship between gold company and communities around it?

Second Group-Mining

1. (ii) How do beneficiary communities perceive CSR activities?

How is CSR perceived through the relationship between communities and companies?

- (a) As people living in this vicinity, how do you perceive the relationship between mining company and surrounding communities in terms of CSR?

[Probe]: You mentioned about Tanzanian Shillings TZS 360,000/= being the salary for temporary workers from the mining company. How do you know about this?

[Probe]: Did the company give or propose an alternative when it was found that water in wells were being polluted as a result of industrial operations?

How does community benefit or experience disadvantage from companies' CSR practices?

- (a) What kinds of benefits do you realize from the mining company?
(b) Can you explain about the detriments caused by the mining company in this area?

What are the most important CSR contributions to communities?

- (a) What is the most important contribution do you need as a community in this location?

[Probe] why these contributions?

[Probe] how often do you receive these contributions from the mining company?

3 (iii) How beneficiary groups [community members] play roles in CSR? [Meetings, written messages and other means of communication]

- (a) Do you have any stakeholder meetings with gold company, government (local or central) and the community regarding projects or programmes most important for the community around?

[Probe]: How often are the stakeholder meetings with the company, the government and the beneficiary community?

[Probe]: Do you put the requests in writings or sent the reminders?

[Probe]: What do you need as a community: the money or projects (anything in kind)?

- (b) How do you cooperate at the local administrative level to interact with company management for CSR consideration? [Meetings and send requests to companies]

[Probe] do you have a follow up committee after agreement on certain projects?

- (c) How do you evaluate the involvement of the government at local levels in ensuring companies take part in CSR?
(d) How do you see NGOs take part in ensuring companies practice CSR through awareness campaigns and trainings?
(e) Is there any more contributions on the relationship between gold company and the communities around it?

Third Group-Mining

1. (ii) How do beneficiary communities perceive CSR activities?

What are the perceptions of the relationships between communities and companies through CSR?

- (a) As people living in this vicinity, how do you perceive the relationship between mining company and surrounding communities in terms of corporate social responsibility practices?

How does community benefit or experience disadvantage from companies' CSR practices?

- (a) What kinds of benefits do you realize from mining companies in this locality?
- (b) Can you explain about the detriments caused by the mining company operations in this area?

What are the most important CSR contributions to communities?

- (a) What is the most important contribution do you need as a community in this location?
[Probe] why these kinds of contributions?
[Probe] how often do you receive these contributions from the mining company?

- 3 (iii) How beneficiary groups [community members] play roles in CSR? [Meetings, written messages and other means of communication]

- (a) Do you have stakeholder meetings with gold company, government (local or central) and the community regarding projects or programmes most important for the community around?
- (b) How do you cooperate at the local administrative level to interact with company management for CSR consideration? [Meetings and send requests to companies]
[Probe] do you have a follow up committee after agreement on certain projects?
- (c) How do you evaluate the involvement of the government at local levels in ensuring companies take part in CSR?
- (d) How do you see NGOs take part in ensuring companies practice CSR through awareness campaigns and trainings?
[Probe] Have you ever been visited or influenced by NGOs to enlighten you on issues related to CSR?
- (e) Is there any more contributions on the relationship between gold company and the communities around it?

Fourth Group

Oil and Gas

- 1 (ii) How do beneficiary communities perceive CSR activities?

What are the perceptions of the relationships between communities and companies through CSR?

- (a) As people living in this vicinity, how do you perceive the relationship between oil and gas companies and surrounding communities in terms of CSR?

How does community benefit or experience disadvantage from companies' CSR practices?

- (a) What kinds of benefits do you realize from oil and Gas Company?
(b) Can you explain about the detriments caused by the company operations in this area?

What are the most important CSR contributions to communities?

- (a) What is the most important contribution do you need as community in this location?
[Probe] why these kinds of contributions?
[Probe] how often do you receive these contributions from the oil and gas company?

- 3 (iii) How beneficiary groups [community members] play roles in CSR? [Meetings, written messages and other means of communication]

- (a) Do you have stakeholder meetings with oil and gas companies, government (local or central) and the community regarding projects or programmes most important for the community around?
- (b) How do you cooperate at the local administrative level to interact with company management for CSR consideration? [Meetings and send requests to companies]
[Probe] do you have a follow up committee after agreement on certain projects?
[Probe] Do you have a follow-up committee after agreeing about certain projects?
- (c) How do you evaluate the involvement of the government at local levels in ensuring companies take part in CSR?
- (d) How do you see NGOs take part in ensuring companies practice CSR through awareness campaigns and trainings?
[Probe] Has there been agreement between district council and you on certain project; which has not been implemented?
[Probe] Have you ever been visited or influenced by NGOs to enlighten you on issues related to CSR?
- (e) Is there anymore contributions on the relationship between oil and gas companies and communities around?

Appendix 3: Interview Guide for Government and its Agencies' Officers

Date:.....

Time:

Location/Office:

Name of interviewee:

Designation:

Introduction

My name is Ibrahim Ramadhani Kikwiye, a lecturer in accounting and finance at the Institute of Finance Management-Dar Es Salaam and a PhD student at Anglia Ruskin University in the United Kingdom. I am here as introduced by the Institute of Finance Management and the Anglia Ruskin University letters for the purpose of collecting data on the study entitled the *‘Multinational and Local Companies’ Corporate Social Responsibility Practices in a Developing Country: A Multi-stakeholders Perspectives on Tanzania’*.

In this study, I kindly request you to contribute through answering the questions I am going to raise. The questionnaire is not too long and on average it will take one hour or so. The study wishes to understand what, how and why companies in Tanzania are interested in CSR practices. I will ask questions related to the influences of the government and its agencies in motivating companies and the roles played by the government and agencies to provoke companies practice CSR.

This study is conducted in line with the ethical guidelines such as consent to participate, anonymity, confidentiality in reporting the findings and avoidance of any harm arising in this course.

If you wish, I can send you the summary of the discussions I will do with you.

Please feel free to participate and provide information that you think describes the phenomenon under investigation.

Questions

Question 2: How institutions play roles in promoting CSR practises in Tanzania?

- i. Why do you think it is worth practising CSR in Tanzania?
- ii. What do you think is the most important activity of CSR for Tanzania society?

[Probe] Why this/these activities?

[Probe] from your experience should the CSR be mandatory or voluntary in Tanzania?
- iii. How do you collaborate or work with companies on deciding what kind of CSR to be undertaken?
- iv. Do you conduct research or audit to realize whether or not companies are involved in CSR?

If yes. How useful are the findings? [If No. Why not?]
- v. How beneficial are the government incentives to encourage companies to be more CSR compliant?
- vi. Are there any directives put in place by your organization to encourage companies to be more CSR compliant? What are those directives about?
- vii. How useful is to make companies aware of CSR during their registration process?
- viii. What actions are taken against companies that are not compliant [for instance pollute environments, causes disputes to communities, and human rights abuses?
- ix. Do you see the actions helpful in shaping and refraining companies from their bad practices?
- x. Is there any comment you wish to make regarding CSR in general in Tanzania?

Appendix 4: Interview guide for NGOs

Date:.....

Time:

Location/Office:

Name of interviewee:

Designation:

Introduction

My name is Ibrahim Ramadhani Kikwiye, a lecturer in accounting and finance at the Institute of Finance Management-Dar Es Salaam and a PhD student at Anglia Ruskin University in the United Kingdom. I am here as introduced by the Institute of Finance Management and the Anglia Ruskin University letters for the purpose of collecting data on the study entitled the *“Multinational and Local Companies’ Corporate Social Responsibility Practices in a Developing Country: A Multi-stakeholders Perspectives on Tanzania”*

In this study, I kindly request you to contribute through answering the questions I am going to raise. The questionnaire is not too long and on average it will take one hour or so. The study wishes to understand what, how and why companies in Tanzania are interested in CSR practices. I will ask questions related to the influences of the NGOs in motivating companies and the roles they play in order to provoke companies practice CSR. Furthermore, I will seek information about the relationship or interaction with community members, government and companies in the course of the CSR.

This study is conducted in line with the ethical guidelines such as consent to participate, anonymity, confidentiality in reporting the findings and avoidance of any harm arising in this course.

If you wish, I can send you the summary of the discussions I will do with you.

Please feel free to participate and provide information that you think describes the phenomenon under investigation.

Questions

Question 2 How institutions play roles in promoting CSR practises in Tanzania?

- i. Why do you think it is worth practising CSR in Tanzania?
- ii. What do you think is the most important activity of CSR for Tanzania society?
[Probe] Why this/these activities?
- iii. Do you work with companies on deciding what kind of CSR to be undertaken?
[Probe] how do you operationalize it?
- iv. Do you conduct researches to realize whether or not companies are involved in corporate social responsibility?
If yes. How useful are the findings? [If no. Why not?]
- v. Do you have any dialogues with companies to discuss what kind of activities they are going to involve in?
- vi. How do you evaluate the involvement of the government of Tanzania in CSR?
- vii. Do you give any directives or incentives to encourage companies to be more CSR compliant? If yes. What are those directives about? If no. Why not?
- viii. What actions do you take against companies that are not compliant [i.e. pollute environments, causes disputes with communities, and human rights abuses?]
- ix. How do you evaluate the actions taken against companies helpful in shaping and refraining companies from bad practices?
- x. Is there any other comment related to CSR that you wish to add?

Appendix 5: Ethics Approval

27 January 2015

Dear Ibrahim



Project Title: Corporate Social Responsibility Practices and Reporting in Tanzania

Principal Investigator: Ibrahim Kikwiye

I am pleased to inform you that your ethics application has been approved by the Faculty Research Ethics Panel (FREP) under the terms of Anglia Ruskin University's Research Ethics Policy (Dated 23/6/14, Version 1).

Ethical approval is given for a period of three years from the date above.

It is your responsibility to ensure that you comply with Anglia Ruskin University's Research Ethics Policy and the Code of Practice for Applying for Ethical Approval at Anglia Ruskin University, including the following.

- The procedure for submitting substantial amendments to the committee, should there be any changes to your research. You cannot implement these amendments until you have received approval from FREP for them.
- The procedure for reporting adverse events and incidents.
- The Data Protection Act (1998) and any other legislation relevant to your research. You must also ensure that you are aware of any emerging legislation relating to your research and make any changes to your study (which you will need to obtain ethical approval for) to comply with this.
- Obtaining any further ethical approval required from the organization or the country (if not carrying out research in the UK) where you will be carrying the research out. Please ensure that you send the FREP copies of this documentation if required, prior to starting your research.
- Any laws of the country where you are carrying the research and obtaining any other approvals or permissions that are required.
- Any professional codes of conduct relating to research or requirements from your funding body (please note that for externally funded research, a Project Risk Assessment must have been carried out prior to starting the research).
- Completing a Risk Assessment (Health and Safety) if required and updating this annually or if any aspects of your study change which affect this.
- Notifying the FREP Secretary when your study has ended.

Please also note that your research may be subject to random monitoring.

Should you have any queries, please do not hesitate to contact me. May I wish you the best of luck with your research.

Yours sincerely,

Dr Jonathan Wilson
Chair of the Faculty Research Ethics Panel (FREP)
Lord Ashcroft Building 322 - Cambridge Campus
T: + 44 - 0845 196 2249 / Ext. 2249
E: jonathan.wilson@anglia.ac.uk

Appendix 6: Participant Consent Form



Anglia Ruskin
University

PARTICIPANT CONSENT FORM

Cambridge Chelmsford Peterborough

NAME OF THE PARTICIPANT:

Title of the Project: Corporate Social Responsibility Practices in Tanzania

Main investigator and contact details: Ibrahim Ramadhani Kikwiye:

ibrahim.kikwiye@student.anglia.ac.uk

Members of the Research Team:

Professor Magdy Abdel-Kader: magdy.abdel-kader@anglia.ac.uk

Dr. Amr Kotb: amr.kotb@anglia.ac.uk

1. I agree to take part in the above research. I have read the Participant Information Sheet which is attached to this form. I understand what my role will be in this research, and all my questions have been answered to my satisfaction
2. I understand that I am free to withdraw from the research at any time, for any reason and without prejudice
3. I have been informed that the confidentiality of the information I provide will be safeguarded
4. I am free to ask any question at any time before and after the study
5. I have been provided with a copy of this form and the Participant Information Sheet

Data Protection: I agree to the University¹ processing personal data which I have supplied. I agree to the processing of such data for any purposes connected with the Research Project as outlined to me. The research will also abide to the local legislation concerning any Data Protection Laws in Tanzania

Name of Participant

(Print).....Signed:.....Date:.....

YOU WILL BE GIVEN A COPY OF THIS FORM TO KEEP

If you wish to withdraw from the research, please complete the form below and return to the main investigator named above

Title of the project: Corporate Social Responsibility Practices in Tanzania

I WISH TO WITHDRAW FROM THIS STUDY

Signed:Date:.....

Appendix 7: Detailed Emerged Themes from Data Analysis

Research Question	Participant s	Type of involvement/ themes	Characteristics (sub- themes)
Question 1 part (i) What is the CSR Practices of companies operating in Tanzania? What are the most important activity preferred by companies?		Most important activity	<ul style="list-style-type: none">• Education• Community involvement• Health• Environment• Empowering community• Legal issues
		Forms Emergency Short-term Long-term	<ul style="list-style-type: none">• Very rare cases- Cash is used through government authorities• Donation in kind (materials)• Capacity building [seminars to youth and women]• ALL Supports long- term and sustainable• Some supports additional short term,• All supports emergencies• Emergencies [Earthquakes, ferry, death while on duty, floods, Ebola victims etc., food, cash, mattresses, support of children and families of deceased, awareness
		Philanthropic/c haritable donations and volunteerism	<ul style="list-style-type: none">• Cash donations to charities• Humanitarian aids to victims of catastrophes (floods, ferry disasters etc.)

			<ul style="list-style-type: none"> • Education assistance [school desks, build and furnish classrooms, toilets; chairs, skills and capacity building for small entrepreneurial projects] • Health services (medicines and campaigns against HIV/AIDS, health care projects, infants and maternity care, equipment, materials (ultra violet sun screens, skin cancer glasses, mosquito nets, fix windows and beds, foods) orphanage centres, maternal and child health • Water supplies
		Economic	<ul style="list-style-type: none"> • Employment creation (permanent and temporary) • Empowering communities to alleviate poverty, support education, and fight diseases • Training youth and women self-empowerment projects, financial skills (safe money keeping, raising capital, how to start small businesses) • Loans provisions • Infrastructure development (Roads-tarmac and loose surface, boreholes) • CSRE

		Laws and Regulations	<ul style="list-style-type: none">• Labour and employment rights• Human rights• Compensation rights• Anti-corruption• Comply with taxation policies• Follow environmental laws and regulations
		Environmental	<ul style="list-style-type: none">• Environmental conservation [soil and forests]• Air pollution• Waste management• Water contamination• Decommissioning procedures (tree planting, cover the pits and recreational services)
		Social	<ul style="list-style-type: none">• Sports and culture sponsorship (jerseys, football competitions)• Water supply• Educational scholarships to pupils from poor families• Equal opportunity employment• Orphanage centres• Youth support
What are the benefits and/or disadvantages realized by practicing CSR?		The benefits	<ul style="list-style-type: none">• Creating good relationship with communities• Live up strong investments in their areas• Long term legacy and development• Economies of scale and efficiencies• Helping needy/unfortunate communities• Product awareness

			<ul style="list-style-type: none"> • Emotional connection with community • Improve brand image • Interaction with community brings esteem to company • Attract best talents • Minimise risks to stakeholders of labour standards, health and safety • Good citizenships • Improve brand image • Increase customer base and profits • Doing good for the society
		Disadvantages	<ul style="list-style-type: none"> • No disadvantages • There are challenges ✓ Shareholders are concerned over delving much into CSR ✓ Society expects more from CSR ✓ Cheatings from recipients ✓ some contributions don't reach intended destinations
		Positive perceptions	<ul style="list-style-type: none"> • Employment creator • Provider of start-up capitals • Reduce acute shortage of water supply • Good neighbour • Provider of education services • Provider of infrastructure facilities such as roads, electricity • Environmental protector • Complier of social regulations

			<ul style="list-style-type: none"> • Complier to government regulations
		Negative perceptions	<ul style="list-style-type: none"> • Bad or ill intention • Not doing enough • Polluter of environment • Abuser of human and labour rights • No communication • Most of their expectations are not realized • Existing sources of water, environment are misused by companies • Houses develop cracks due to mining operations • Less compensation for land and others • Pollution of chemicals from operations • Nepotism No employment • Air pollution (dust and chemicals) • Pay lower wages to employed few • Lack of transparency • Little benefits • Boreholes contamination • No community involvement
How does community benefit or experience disadvantage from companies' CSR programmes?		Benefits (much, few, none)	<ul style="list-style-type: none"> • Office administration expenses • Few temporary workers employed • Constructed Girls' secondary school • Water piped from Lake Victoria is almost completed

			<ul style="list-style-type: none"> • Treatment of ecliptic mouths patients • Youth sponsorship in vocational and training programmes • Football play grounds • Road refurbishment to bitumen and loose surface standards • Sponsored children education in schools • Sponsored sports and culture • Constructed dispensaries • Set up compound to show World Cup 2014
What are the most important CSR contributions to communities?		Important activities	<ul style="list-style-type: none"> • Health services • Water services • Education • Dispensaries/Clinics • Clean and safe water • Assisting old people • Employment • Roads • Good market places • Building University • Referral Hospitals (Big hospital) • Mining colleges • Sports and culture • Electricity • Environmental preservation • Relocate plants to distant places to avoid radiation, chemicals and pollution • Anti-corruption (discourage bribery in the employment processes) • Infrastructure (Roads, electricity, water)
		Internal motives-	<ul style="list-style-type: none"> • Subsidiary top management support

motivated to practise CSR in Tanzania?		management support, professionalism, competition, goodwill, reputation, Ethics	<ul style="list-style-type: none"> • Experience • Professional background • Competitive impact/ the quest for success • Desire to differentiate • Legal/regulations • Punishment from regulatory bodies • Positive CSR reputation • Goodwill • Emotional connection • Corporate citizenship • Attract investor and capital providers • Companies own initiatives • Employees initiatives (volunteerism) • Department/Section responsible for CSR, budget determined by management, MD, CEO, CFO etc.
		External motives-Parent companies, international organizations, NGOs, codes and industrial norms	<ul style="list-style-type: none"> • Share policy with Parent companies (share policies, receive instructions, raise funds for subsidiary and CSR, overall supervision, follow global policy operationalized by headquarters, give back feedback) • Follow the Industrial norms (ISO standards, MDAs, TFDAs, TBS, OSHA) • Regulatory agencies (audit of mining companies) • NGOs activism • Communities residing around companies areas of operations

			<ul style="list-style-type: none"> • Code of conduct/standards • International organizations
	Beneficiary community	Forums, formal and requests, forceful mechanisms	<ul style="list-style-type: none"> • Dissatisfaction forums • Complains to local and central government offices • Raise alarms • They demand; and they are too vocal • Customers prefer CSR sensitive products • Request the contributions • Strategies are informed by stakeholders • Youth groups influence
		Incentives	<ul style="list-style-type: none"> • Government offers no Incentives • Government have no direct influence • Exempt taxation on capital allowance • Certain percent of profit is tax exempt for companies practising CSR
		Directives	<ul style="list-style-type: none"> • Minerals policy 2009 and 2010 • Gas policy 2014 • Collaboration with other offices and agencies
		Dialogues	<ul style="list-style-type: none"> • With oil and gas and mining companies on CSR involvement
		Awareness	<ul style="list-style-type: none"> • Minister for MEM urges companies to practice CSR for community • Awards • Partnerships and Collaborations

			<ul style="list-style-type: none"> • Forums for community complains
		Actions to violators	<ul style="list-style-type: none"> • In collaboration with agencies responsible
		Are the actions helpful	<ul style="list-style-type: none"> • Helpful to refrain their previous practices
		Incentives	<ul style="list-style-type: none"> • It is policy thing, and there are advisory roles • We audit to ensure compliance • CSR is not legally binding in Tanzania
		Directives	<ul style="list-style-type: none"> • Directives shared between company and the agency • On agreement, the contents become binding • They are audited and/or inspected
		Dialogues	<ul style="list-style-type: none"> • Advisory roles
		Awareness	<ul style="list-style-type: none"> • Guidelines on environmental matters • Issuance of Environmental permit • Companies have MDAs with clauses on CSR
		Actions taken against violating companies	<ul style="list-style-type: none"> • Rejuvenate the environment • Fees and fines to environmental polluters • Halt and Close production • Report them to other two organs for further stringent action • Revoke the licence if violations are repeated
		Are the actions helpful	<ul style="list-style-type: none"> • Companies refrain and comply

	Role of Institutions: NGOs	Incentives	<ul style="list-style-type: none"> • Involve other stakeholders to learn • Awards companies and best journalist covering environmental matters • Charities, eyesight, health scams, test HIV/AIDS, diabetes and blood pressure for free • Involvement of various stakeholders • Partnership and Collaboration
		Dialogues	<ul style="list-style-type: none"> • Sharing research findings and • Roundtable discussions
		Actions against non-compliant	<ul style="list-style-type: none"> • Advocacy on quality and inspection • Mediator between government and private health sector • File court cases against violators • Educate companies • closure of companies • court actions and heavy penalties • Huge court fines and compensations
		Are the actions helpful	<ul style="list-style-type: none"> • Stoppage of bad practices • Pay huge fines when the fail the cases • Don't care if they are less fined
		Involvement with communities	<ul style="list-style-type: none"> • Limited interaction with community • Compensation awareness courses • Offers entrepreneurial trainings • Legal and human rights

			<ul style="list-style-type: none"> • Lack of feedback and communication
		Communication means with companies, NGOs, Central and local government	<ul style="list-style-type: none"> • Some meetings with companies and NGOs • One NGO conducted awareness courses • NGOs trained youth and entrepreneurs • No follow-up • Insufficient legal backing as they have no money and time • NGOs take time to act • Meeting local government • No meeting with government, communities and companies • Written requests • Formal and informal requests • Lobby groups (MPs, DEDs, WC) • Customers demand CSR oriented products • Direct consultation with some companies • Companies' representatives
		Previous agreements not accomplished	<ul style="list-style-type: none"> • Too much delays of the promises • Little contributions • Less valuable projects • Many agreed projects not realized • No response to further follow-ups • Suggestions in the box not collected • Government does not meet communities • Most companies do not response to letters