

# Corporate social responsibility (CSR) engagement by Zimbabwean small and medium enterprises (SMEs)

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## Abstract

This study examines corporate social responsibility (CSR) engagement by Zimbabwean SMEs through their practices and procedures. A qualitative approach was adopted, involving 16 in-depth interviews with key decision makers of information and communication technology (ICT) SMEs in Zimbabwe. The study found that, while the role and importance of CSR is appreciated, largely from an altruistic perspective, this understanding by SMEs is fragmentary and incomplete. Selection and execution of CSR activities are ad hoc, unstructured and lack dedicated budgets while decision-making rests solely with the CEO whose upbringing, values and personality play a defining role in this process. Potential benefits from CSR activities in terms of business visibility, turnover or profitability remain unknown or low on the order of priorities. The study presents useful insights on CSR characteristics by SMEs, especially from a developing world context.

## 1. Introduction

Small and Medium Enterprises (SMEs) play a major role in many economies, particularly those in the developing countries. Formal SMEs contribute up to 60% of total employment and up to 40% of national income (GDP) in emerging economies (World Bank, 2019). The SME sector has become a critical player in the economic development matrix of nations through the creation of wealth, employment, products and services (Zafar & Mustafa, 2017). SMEs play a fundamental role in society and can potentially have a huge impact on social welfare (Nugent, 2017).

Traditionally, the discourse on corporate social responsibility (CSR) has been dominated by Multinational Corporations (MNCs) (Jamali & Safadi, 2019; Yin & Jamali, 2016). This situation arose because in the last five or so years, stakeholders in developing countries such as local firms, government support agencies, international aid agencies, industry associations, NGOs and/or other actors (World Bank, 2005) took comparatively little interest in promoting CSR in SMEs (*Business and Society*, 2012).

Debate on CSR engagement by SMEs has ranged from whether SMEs understand the concept of CSR (Ho, 2017), why SMEs have a social responsibility (Nugent, 2017), whether SMEs are willing to engage in CSR activities (Massoud, Fayad, Kamleh & El-fadel, 2010) to what motivates SMEs to engage in CSR (Dincer & Dincer, 2013) and if they are actually doing enough on CSR (VCCI, 2010). While it is accepted that SMEs are key players in job creation and the provision of goods and services in many developing economies, their contribution and impact on social welfare need to be known (Hassan & Mohamed, 2015).

In line with global trends (World Bank, 2019; Zafar & Mustafa, 2017), SMEs dominate in Zimbabwe, in terms of both absolute numbers and economic contribution. They contributed US\$8.58 billion to the country's GDP in 2016 and employed more than 5.9 million people (over 75% of the total workforce of 7.8 million people). Furthermore, SMEs make up over 70% of Zimbabwe Revenue Authority's (ZIMRA's) database of registered taxpayers while contributing 20% in taxes (Bhoroma, 2018). However, more studies are required to understand their contribution to CSR (Mathende & Nhapi, 2017).

According to The World Food Programme (WFP) (2018) in 2012 the country's official unemployment rate was over 60%, one of the highest in the world, while 56% of the population lived on less than US\$1.25 per day. The percentage of people living below the national poverty datum line was 76%. The majority of the population, almost 6 million people, eke out a living in both the informal and SME sector (Finmark Trust, 2013), providing a huge potential for social upliftment of the population through CSR.

The purpose of this article is to examine the level of CSR engagement amongst Zimbabwean SMEs. Despite the fact that SMEs make up the country's largest business sector (Bhoroma, 2018), there are significant knowledge gaps in terms the level of interest and understanding of CSR amongst Zimbabwean SMEs. Studies on CSR practices in Zimbabwe remain scarce (Mpofu, 2012; Mathende & Nhapi, 2017), especially amongst SMEs.

CSR activities carried out by Zimbabwean SMEs are important to an economy that is hampered by significant social problems such as poverty, unemployment and rising inflation (Mathende & Nhapi, 2017). The study contributes to the critical discourse on CSR amongst SMEs while providing important insights from a developing country context in view of the fact that global CSR is influenced by societal and contextual factors (Ho, 2017). Insights provided by this article are readily applicable to the developing world, taking into account the financial and developmental challenges faced by similar SMEs.

This article is divided into five sections. The first section provides an introduction to the study. The second section examines theoretical perspectives on CSR from a variety of themes. The third section outlines the research methodology employed in the study, while the fourth section discusses the results of the study. The fifth section concludes the article.

## 2. Theoretical perspectives on CSR

This section discusses extant literature on CSR including definitions of key concepts, why companies engage in CSR, characteristics of CSR in SMEs, and benefits as well as challenges faced by SMEs in CSR.

### 2.1 Demystifying key concepts

The European Commission has defined corporate social responsibility as a “concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis” (European Commission, 2001:7). On the other hand, World Bank Group’s CSR practice has defined CSR as “the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life, in ways that are both good for business and good for development” (World Bank, 2005:71).

While the two definitions are similar, the World Bank definition is preferred for its simplicity and clarity. It highlights that there are a number of important players in CSR – business, employees, family, local community and society (Jamali & Safadi, 2019), that CSR has a higher objective which is the improvement of the quality of life for society and that commitment from business is a prerequisite for CSR to work. Hence, CSR is important for economic development.

It is important to observe that the multiplicity of players in CSR gives rise to different motives (Lantos, 2001; Jamali & Mirshak, 2007), expectations and interpretations (Tencati, Russo & Quaglia, 2008), which explains the different viewpoints on CSR, some of them conflicting (Pieterse, 2015). This study adds to this body of knowledge by providing motives for CSR, expectations and interpretations, and different viewpoints from the Zimbabwean context.

Across all disciplines, there is no universally accepted definition of an SME (Simpson & Ndlela, 2010; Hassan & Mohamed, 2015). In general, most definitions focus on size and the use of fundamental bases such as the number of employees, financial position or annual turnover (Maseko & Manyani, 2011; Robu, 2013). In Zimbabwe, the Ministry of Small and Medium Enterprises defines small and medium enterprises as those enterprises that are registered in terms of the law and employ from 6 to 100 workers (Zimbabwe, 2008).

## 2.2 Motivation for engaging in CSR

Business may incorporate strategic CSR in their operations in order to enhance their competitive advantage, including profitability in marketplaces that are competitive (Lantos, 2001; Holmes, 2010). Researchers have investigated the link between CSR and profitability. However, some researchers have found little evidence that causality exists between expenditures on CSR and improved financial returns (Windsor, 2001; Nelling & Webb, 2009).

CSR could be motivated by altruistic responsibility whether the business is profitable or not. Business may actively engage in acts or programmes to promote human welfare or social goodwill (Jamali & Mirshak, 2007). The greater a firm's contribution to social welfare, the better its reputation (Basera, 2013; Hoang, 2015). Related CSR benefits include being lauded as responsible by stakeholders, and improved government and community relations (Achua, 2008). In fact, some enterprises have used CSR as a tool to polish and improve their public images and reputation through philanthropic activities.

With a multiplicity of players in CSR (World Bank, 2005), it is to be expected that government, business, suppliers and consumers would have different viewpoints and expectations of CSR. Ethical responsibility involves doing what is right (Lantos, 2001). This entails activities and behaviours that are not necessarily codified into law but are expected of business by society's members (Carrol, 1999). Business is expected, for example, to respect human rights, ensure food safety, protect the environment, etc. in its operations.

Fassin, Van Rossem and Buelens (2011) observe that the role of the SME owner/manager dominates the narrative on CSR engagement in SMEs. In making decisions on CSR activities, the owner is influenced by an array of factors (Fernandez-Huerga, 2008), including personal feelings (McCuen & Shah, 2007), friends and family (Westerman, Beekun, Stedman & Yamamura, 2007), company finances (Rodgers & Gago, 2004) and religion (Dincer & Dincer, 2014). SME owners therefore engage in CSR for different reasons, some of which are not necessarily financial. It is interesting to find out what motivates Zimbabwean SMEs to engage in CSR.

## 2.3 Characteristics of CSR in SMEs

The differences inherent in human communities mean that there is no 'one size fits all' in CSR engagement but rather, global CSR is influenced by societal and contextual factors (Scott, 2007; Itanen, 2011). This is a useful distinction as businesses in the developing world may take different approaches to CSR activities compared to businesses in the developed world, as dictated by the environmental context and the needs of the communities they serve (Ho, 2017). The Zimbabwean societal and contextual factors will add to the body of knowledge on the characteristics of SMEs.

The nature of SMEs' engagement in CSR is context specific. The environment in which the SME is operating strongly shapes or influences the CSR activities of the SME.

Most CSR activities are embedded in the communities in which SMEs serve (Murillo & Lozano, 2006). For instance, research on CSR in developing contexts has outlined the different cultural and religious motivations to pursue CSR in the form of voluntary philanthropic contributions to local communities (Jamali & Neville, 2011).

CSR in SMEs has been described as being less visible than in MNCs, less formally institutionalised, more ad hoc in nature and rarely involving a CSR manager or the publication of CSR reports (Jamali, Zanhour & Keshishian, 2009). SME owner/managers have the opportunity to directly shape organisational practices according to their personal values as opposed to managers in MNCs who are merely 'agents' of absent shareholders (Spence, 1999). Contrast this situation, with MNCs, where CSR is institutionalised as an integral part of operations and there is usually a senior manager or director reporting to the CEO who is in charge of corporate affairs (Boatright, 2009).

## 2.4 Challenges faced by SMEs in CSR engagement

SME engagement in CSR is not without its challenges. SMEs are constrained by owner/managers who are sceptical about the potential benefits of CSR (Hsu & Cheng, 2012) and are therefore willing to do just the minimum; insufficient awareness concerning the CSR concept (Lee, Park & Lee, 2012); a lack of resources compared to MNCs (Kerchiche & Soparnot, 2012) for the start-up of CSR instruments; and inherent confusion due to the proliferation of multiple CSR instruments (Murillo & Lozano, 2006). Similarly, Zimbabwean SMEs engaging in CSR face some challenges. It is interesting to find out what these challenges are.

## 3. Research methodology

This section briefly touches on the research context before it discusses the research design and methodology that was used to collect empirical evidence of CSR engagement amongst Zimbabwean SMEs. McAuley (1999) underlines the centrality of research design and methodology used in any study by emphasising that the results obtained in any such study are dependent, to a large extent, on the rigour, type and method used. Thus, the production of knowledge depends on the integrity of techniques used in collecting, analysing and interpreting data.

The concepts of CSR were first brought to the country through implementation of Code of Conducts by MNCs and through donor-funded projects implemented by foreign multilateral agencies such as UNDP, UNIDO, OXFAM, etc. (Hamm, 2012). These initiatives are rooted in customer-driven obligations to meet customers' demands at the end of the supply chain (Ho, 2017). Examples of MNCs in the country that have led the way in CSR initiatives include Zimplats, Nestlé, Econet, BAT, Tanganda and Barclays (Mathibela, 2013).

Maphosa (1997) observes a relative lack of interest in the social impact of business in Zimbabwe, a situation he attributes to the government's interventionist policies in

economic and social affairs. In his study on Internal Corporate Social Responsibility (ICSR) by Zimbabwean retail SMEs, Basera (2013) found that some executives and owner/managers still view CSR as a cost and burden (Bekefi, 2006), rather than as the basis for a firm's reputation and growth in a highly competitive business environment, dampening the enthusiasm for CSR.

CSR in SMEs is embedded in a specific context. The Zimbabwean economic environment is characterised by high unemployment, rampant poverty and rising social ills. The fact that the ratio of SMEs to MNCs is approximately 10:1 creates a huge potential for sound and sustainable CSR efforts by SMEs. There is so much that SMEs can do to increase their social impact, and in the process their visibility and positive impact on their businesses. However, there are several hurdles to be overcome before this situation becomes possible.

The research adopted a qualitative method based on in-depth, semi-structured interviews with owner/managers or their representatives. Qualitative research was especially effective in obtaining culturally specific information about the opinions, values, behaviours and social contexts of Zimbabwean SMEs engaging in CSR. Its other strength was its ability to provide complex textual descriptions of how people experience the CSR phenomena in their context.

The objective of this research was to examine the level of CSR engagement of Zimbabwean SMEs in the information and communications technology (ICT) industry. Focusing on a single industry is quite common in studies of this nature (Achua, 2008; Basera, 2013). The qualitative research approach was considered as more likely to yield richer and deeper insights into the complex phenomena of CSR and is consistent with a growing trend towards the use of qualitative methods in empirical enquiries at the business management/corporate social responsibility/corporate citizenship interfaces (Carroll & Buchholtz, 2011; Ho, 2017).

A further compelling argument for adopting the qualitative approach in small business research is that it was the only way of obtaining information from key decision makers, given their noted reluctance to complete questionnaires (Bell, Crick & Young, 2004). This situation is especially true considering that Zimbabwean SMEs are characterised by a lack of published information (in the form of shareholder reports, commercial analyses, etc.), poor recording of internal data and a marked reluctance by their managers to divulge commercially sensitive information (Maphosa, 1997). This made the administration of other forms of enquiry, especially questionnaires, particularly problematic.

The choice of the ICT sector was motivated by the fact that the global economy has become a knowledge economy. The ICT sector is the major driver for growth and innovation. ICT investments have been steadily increasing in many countries. In 2013, ICT contributed 15.2% to the Gross Domestic Product of Zimbabwe (Dhlamini, 2018). Given these factors, the researchers chose this sector because of its relative importance to national development and considered it prudent to investigate how such an important sector was contributing to national development in terms of corporate social responsibility.

The sampling frame was constructed using the Zimbabwe ICT's Exhibitors' Directory 2015 and criteria drawn by the researchers. The directory had a total of 27 firms, of which three were subsidiaries of international companies and of the remaining 24, 16 agreed to be interviewed. The research targeted the owner/manager of the firm or their representative who would naturally possess intimate knowledge of the CSR activities of the organisation.

Using purposive sampling, the basic selection criteria were that firms should:

- have in employment less than 100 but more than 6 people (in line with the Zimbabwean government's criteria for defining SMEs);
- be registered in the ICT sector with the Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ); and
- be independent and indigenous (i.e. not subsidiaries of larger domestic or international companies, to avoid potential distortions arising from resource and foreign cultural influences on decision-making).

The companies, mostly based in Harare, were first contacted by phone, and later a formal introductory letter highlighting the aims of the research and an interview guide were personally delivered to respondents by the researchers. An interview was then scheduled and later conducted by the researchers. Information was collected using in-depth one-to-one interviews.

The interview schedule contained structured questions designed to gather data for classification purposes, for example, firm size, age, current business. A series of open-ended questions were used to probe the level of understanding of CSR and the CSR activities the interviewees' companies were engaged in. The use of open-ended questions and probing gave participants the opportunity to respond in their own words about their CSR experiences. The questions further probed benefits that were accruing to the companies as well the challenges they faced. Where possible, this information was triangulated with available secondary data sources.

The interviewees were all at the level of owner or senior management, i.e. Chief Executive Officers or Heads of Public Relations/Communications/Marketing from each of the 16 SMEs. The interviews were conducted using a pre-tested interview schedule (see Appendix 1). The interview schedule was used as a guide for the researcher.

On average, each interview session lasted one hour. The interview was transcribed by hand. The authors were well-trained in interview techniques and carefully recorded the answers provided. At the end of each interview, participants were given an opportunity to go through the answers provided in order to secure clarity and agreement.

The researchers read and re-read the data collected, writing down impressions, searching for meaning and determining which data had value. From this data, themes and patterns emerged. These themes and patterns were analysed using first content analysis, and then analytic induction with a view to developing a descriptive and interpretative narrative of what was actually happening amongst Zimbabwean SMEs in terms of their CSR activities.

## 4. Results of the study

### 4.1 Biographical information

A total of 16 SMEs in the ICT industry were interviewed. The ages of the SMEs ranged from 3 to 19 years. A profile of SMEs interviewed is provided below (see Table 1 below).

**Table 1: Profiles of SMEs interviewed**

| Company    | Business       | Age (Yrs.) | Employees | Gender of Interviewee |
|------------|----------------|------------|-----------|-----------------------|
| BProll     | Services       | 19         | 13        | Male                  |
| Confide    | Payroll        | 7          | 6         | Male                  |
| Cyre       | e-Advertising  | 5          | 7         | Female                |
| DSC        | Printing       | 7          | 24        | Male                  |
| e-Learning | e-Learning     | 12         | 30        | Male                  |
| iWin       | Software       | 17         | 9         | Female                |
| Hansole    | e-Broadcasting | 5          | 7         | Female                |
| Computers  | Consumables    | 16         | 9         | Male                  |
| Relay      | Networking     | 3          | 12        | Male                  |
| Utande     | ISP            | 5          | 36        | Female                |
| MoP        | Consultancy    | 6          | 9         | Male                  |
| TIP        | ISP            | 10         | 22        | Male                  |
| MSC        | Printing       | 8          | 20        | Female                |
| Fusion     | Services       | 5          | 15        | Male                  |
| iTech      | Hardware       | 9          | 10        | Male                  |
| TechyZim   | Software       | 6          | 14        | Female                |

The interviewees were spread within the age bracket of 26 and 35 years (60%), with the remaining 40% distributed between 36 and 45 years. About 40% of the interviewees were female. Of the 16 interviewees, 7 were marketing managers, 5 were owner/managers or directors and 4 were managing consultants.

### 4.2 Motivation for CSR and understanding of the concept

All 16 SMEs interviewed showed an understanding of the CSR concept, viewed mainly from a philanthropic perspective. The executives of Hansole, iWin, Cyre, BProll, Mop, Tip and Computers argued that CSR was about the corporate world reaching out to society, providing assistance to the needy. One manager specifically said that “CSR is about giving back to the community”. Another expressed it as “ploughing back into the community”.

E-Learning said, “CSR is about the organisation going the extra mile and saying thank you to customers, the government and the community. Sometimes CSR is about intervening in desperate situations.” The executive at Relay went further and said, “CSR is about the community, there are social ills out there which need us as corporates to do good to

redress. For example, there are hungry old people who need to be fed; there are children who cannot afford to pay school fees.”

Asked about the relevance of CSR to their companies, all the SMEs agreed that CSR was indeed relevant to their operation, but they differed in their explanation as to why CSR was relevant to their businesses. The explanations varied from concern about the environment (25%), sharing of profit with the community (56%), positive reputation for the organisation, to the right thing to do (19%). One interesting response was given by Confide’s executive who talked about sustainability of the economy. “As an indigenous business we have to pass the knowledge that we have acquired to our youth and other upcoming businesses to ensure economic growth,” he said. The executive of BProll was of the opinion that CSR could also be one way of advertising the SMEs’ products and services.

Fourteen of the 16 SMEs interviewed had prior understanding of the concept of CSR. The interviewees obtained their understanding of CSR from a number of sources. Two executives got to know about CSR from social interactions with other marketing executives, six learnt about CSR at college or university, two had CSR experience in MNCs where they once worked, two got to know about CSR from reading the media (television, newspapers, etc.) while one had attended a CSR seminar and one had observed large corporates practising CSR. Only two marketing executives said they had never heard of CSR.

#### 4.3 Process and procedure of engaging in CSR activities

All the SMEs interviewed said they engaged in some form of CSR activity as and when the opportunity arose. Only one of the companies interviewed, Utande, had a clearly articulated corporate social responsibility policy, fully institutionalised. Fifteen of the companies had not formally institutionalised their social programmes due to CSR budgetary constraints, which, in 90% of the cases, were determined on an annual basis in relation to expected profits and at the discretion of managers. Only Utande had a fixed budget for 20 giraffes at Mukuvisi Woodlands in Harare.

The scope and spectrum of social interventions by the SMEs was wide and diversified – ranging from programmes involving orphans and the elderly, feeding giraffes, websites with free information on tax fraud on employee salaries, to educational and learning programmes.

On how the SMEs selected which CSR activities to engage in, the most common response (10 SMEs) was that there was really no formula used but the process was ad hoc with each decision being made by the top manager depending on the availability of resources and his/her views on what needed to be done. The four directors who were interviewed confirmed that the selection of CSR activities as well as beneficiaries was indeed done at their discretion as influenced by their beliefs as shaped by their upbringing. Three SMEs said the choice of CSR activities was market-driven while the remaining three SMEs said they responded to requests from beneficiaries. Table 2 below is a summary table of the CSR activities chosen by SMEs.

**Table 2: Summary of CSR activities chosen by SMEs**

| Company   | CSR Activities   | CSR focus              |
|-----------|--|------------------------|
| BProll    | Providing information to employees on their tax.   | Altruistic             |
| Confide   | Quarterly tree planting in rural areas. Payment of school fees based on financial need.      | Altruistic             |
| Cyre      | Cash and in-kind donations to HIV/AIDS orphans, religious and charitable organisations.      | Altruistic             |
| DSC       | Annual sponsorship of best school merit awards. Constructed a classroom block at one school. | Altruistic             |
| eLearning | E-learning awareness campaigns.  | Strategic              |
| iWin      | In-kind donations to the poor.   | Altruistic             |
| Hansole   | Lost and found website.  | Altruistic             |
| Computers | Donations to the poor. School fees donations. Cheaper cartridge.                             | Altruistic and Ethical |
| Relay     | Timely payment of suppliers. Donations to the elderly. School fees payment.                  | Ethical and Altruistic |
| Utande    | Feeding of giraffes in a nearby game park.   | Altruistic             |
| MOP       | School fees payment to orphans. Donations to religious and charitable organisations.         | Altruistic             |
| TIP       | Fair wages for staff. School fees payment.   | Ethical and Altruistic |
| MSC       | Donations to the needy. School fees payments.  | Altruistic             |
| Fusion    | Sponsoring youth football games  | Altruistic             |
| iTech     | Payment of school fees to the needy  | Altruistic             |
| TechyZim  | Sponsoring community youth games   | Altruistic             |

#### 4.4 The benefits of CSR to Zimbabwean SMEs

Most of the SMEs (14) said they did not get any tangible benefits from their CSR activities in terms of business visibility, turnover increase or profitability. Rather, they got personal satisfaction for whatever good they had done. In fact, one executive was surprised by the question on benefits. All the managers interviewed were agreed that they did not expect to get any benefits to the organisation when they engaged in CSR activities. Two SMEs said they were unaware if engaging in CSR activities brought any benefits to the company.

All SMEs concurred that over and above the targeted beneficiaries, the communities they serve benefitted from their CSR activities in different ways. Some activities benefitted churches; others parents through school fees payments as well as the children attending school; the National Merit Awards benefitted the Ministry of Education, Sports and Culture over and above the award winners; and the Lost and Found website benefitted the police in increasing awareness of lost and found items.

E-Learning provided by E-Learning Solutions benefitted education administrators who got ICT skills and were motivated to perform their jobs from a more efficient, technical platform. E-Learning also brings the internet to remote areas, a situation which has helped in bridging the gap in access to information between the rural and urban areas.

## 4.5 Challenges faced by SMEs in CSR engagement

“Political interference was a serious challenge faced by SMEs as they carried out their CSR activities especially in the rural areas,” said Mop. Companies said there was a perception that any CSR activity by an organisation had political inclinations, suggesting that the company engaging in CSR was either pro- or anti-government. Sometimes a programme or activity is snubbed by rural folk based on those political considerations. For example, donations by Computers to villagers in Mutoko, a small town in Mashonaland East Province of Zimbabwe, were stored for quite some time before they could be distributed to the intended beneficiaries because of fears of political backlash.

DSC’s National Merit Awards had its own kind of challenges where it was accused of favouritism in the selection for the award winners. The company eventually had to pull out of the nomination process, arguing that the project had been hijacked for political interests. Confide said it had taken them more than three years to get a breakthrough on their tree-planting initiative. They were asked to register an NGO (Non-Governmental Organisation) since tree planting was not their core business. The process of registering the NGO was very bureaucratic and they also fear political interferences when they eventually launch their project in the rural areas.

Limited funding was another challenge mentioned by the Confide executive, as they need tree seedlings for the whole country. This situation was also true for the remaining SMEs, including Hansole, which needed to visit the geographically scattered and numerous police stations around the country to collect data for their Lost and Found website.

The Cyre director complained that there were no tax incentives to the donations they make. However, this position was not correct. Section 15 of the Zimbabwe Revenue Authority (ZIMRA) Act has information on allowable deductions on income tax which include donations to registered charitable institutions and national scholarship funds. This could be a case of ignorance on the part of SMEs on the allowable deductions on income tax on amounts that SMEs can claim on funds used on certain CSR activities.

## 5. Discussion, analysis and conclusion

The analysis of data collected followed the content analysis and inductive analysis approach (discovering patterns, themes and categories in one’s data) (Hennink, Hutter & Bailey, 2011). From the data collected, themes and patterns emerged. The themes and patterns were analysed using content analysis and inductive analysis with a view to developing a descriptive and interpretative narrative of what was happening amongst Zimbabwean SMEs in terms of their CSR activities.

The level of understanding of CSR as a concept by Zimbabwean SMEs is patchy and incomplete, mostly dominated by the altruistic perspective (See Table 2). There was widespread citation of altruistic responsibility in interviews ahead of strategic and ethical responsibilities, which only four SMEs alluded to. Using Raynard and Forstater’s (2002) classification, most Zimbabwean SMEs are at the first generation of

CSR stage, which is termed “corporate philanthropy” or altruism in Lantos’ (2001) terms. Fragmented knowledge of CSR does not bode well for the enthusiasm and intensity of the implementation of CSR.

CSR activities undertaken by Zimbabwean SMEs are on a small and fragmented basis. On a positive note, these activities are contributing to improved social welfare, albeit on a limited scale. The scope and spectrum of social interventions by the SMEs encompassed programmes ranging from feeding giraffes, caring for the orphans and elderly, paying fees for needy children, managing lost and found websites, to educational and learning programmes.

SMEs were not aware of tangible benefits that accrued to them as a result of CSR activities. This study was unable to establish a link between the firm’s CSR activities and the firm’s financial performance in line with Nelling and Webb (2006). A possible reason could be ignorance. Most SMEs did not appreciate that CSR can be used as a competitive business tool to improve brand reputation, competitiveness and the bottom line as argued by Achua (2008).

The socio-economic environment that Zimbabwean SMEs are operating in is challenging to say the least. SMEs are under pressure from the economic difficulties being experienced in the country. The issue of adequate funds for CSR activities is pertinent. This could explain why Zimbabwean SMEs’ approach to CSR is ad hoc, unstructured and not supported by CSR policy or dedicated budgets. The CEOs of SMEs play an important role in the entire process of selecting and executing CSR activities, ostensibly because it is their company. This suggests a heightened role of the leader’s values and beliefs in the process (Fassin, Van Rossem & Buelens, 2011).

An important observation was that none of the interviewed companies tried to publicise their CSR endeavours. Additionally, none of the companies had a dedicated CSR employee or office. Perhaps the view that CSR is an insincere and window-dressing concept is what causes SMEs to shun publicity. However, by depriving their CSR activities of publicity, SMEs deny themselves access to good business opportunities. Strategic, rather than altruistic CSR, is the most viable option for SMEs in developing countries.

Going forward, Zimbabwean SMEs need to move from the altruistic stage of CSR to the second generation also called adaptation, where CSR becomes an integral component of the business’ long-term strategy, the strategic approach (Lantos, 2001). From there, they can proceed to the third generation known as ‘dialogue and mutual solutions’ (Raynard & Forstater, 2002) whose purpose is to enhance social attractiveness for all. Hess, Ragovsky and Dunfree (2002) agree, arguing that the most progressive companies view CSR less as altruism and more as savvy corporate community involvement or as profitable corporate social initiatives.

The absence of a legal framework for CSR in Zimbabwe to provide knowledge and guidance to Zimbabwean SMEs appears to be a handicap for widespread adoption of CSR. The prevailing economic situation in Zimbabwe is affecting the smooth execution of CSR activities as companies grapple for survival. There is a need to educate these

companies through a CSR framework designed by Government along the lines of the European Commission Framework for Corporate Social Responsibilities (European Commission, 2001). Guidelines on CSR encourage SMEs to introduce a structure, a budget and a process system for their CSR activities. This could enhance the sustainability of the CSR activities.

The limitation of this study is that the findings are from a single industry/sector and a single country investigation whose deteriorating economic situation may be different from that of most countries in the developing world which may imply that the findings are not readily generalised. However, the fact that the study provides a good qualitative research approach means that it may have wider relevance and applicability, especially in the developing world context.

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## Appendix 1: Interview schedule for SMEs engaged in CSR

### 1. Biographical information

- a) Gender of interviewee
- b) Age range: 16-25 years | 26-35 years | 36-45 years | 46-55 years | over 56  
(Tick the applicable)
- c) Do you own the business?
- d) If not, what is your position in the company?
- e) What is your area of expertise?

### 2. Profile of company

- a) How old is your company?
- b) How many people do you employ?
- c) Briefly describe the core business of your company.

### 3. Awareness of CSR

- a) What do you understand by CSR?
- b) Where did you learn about the concept of CSR?
- c) In your opinion, is it relevant to your company as an SME? Why do you say that?

### 4. CSR Activities

- a) Does your company practise CSR?
- b) What activities do you engage in, relating to
  - i) Environment?
  - ii) Stakeholders?
  - iii) Community?
  - iv) Other? (Please explain)
- c) Why do you engage in those activities?
- d) How do you select the activities that you engage in?
- e) Which people are involved in those decisions?
- f) How do you decide on the amount to spend on CSR?

### 5. Benefits of CSR

- a) What benefits have accrued to the business as a result of CSR activities?  
(Please tick the relevant option)
  - i) Business visibility
  - ii) Business growth (turnover)
  - iii) Business growth (profitability)
  - iv) Other (Please specify)
- b) What benefits did the community get from those activities?

### 6. Challenges

- a) What challenges do you face in engaging in CSR?
- b) Are there any regulations that support your engagement?