Abstract
Corporate social responsibility (CSR) continues to be debated upon by scholars and business practitioners. The study assessed the prevalence of CSR in Malawi and its relationship with financial performance of firms. 100 respondents being officers, managers and directors of 40 firms from 10 private sector industries participated in the study in which they provided responses to a questionnaire on various aspect of CSR. Content analysis of data received reveal the prevalence of CSR programmes by organisations in Malawi with all the 40 firms surveyed involved in CSR initiatives. CSR activities are concentrated in the social and physical dimensions. The study found that CSR activities are more pronounced in health with 80 percent of firms involved, 72 percent in education, 64 percent in physical infrastructure development, 56 percent in environmental conservation and 32 percent in girl child and orphanage support. None of the surveyed firms focused on CSR activities in supply chain, customer and/or employee relations dimensions. The main reasons for engaging in CSR activities were to give back to the community with 93 percent of the surveyed firms and 86 percent considering CSR as part of a marketing strategy to gain publicity and build corporate image. The study further found that managers of firms surveyed perceived that there was no relationship between the CSR activities their firms engaged in and the firms’ financial performances despite a smaller percentage of respondents acknowledging the effect CSR activities had in increasing operating costs of their firms.

Key words: Corporate Responsibility, Corporate Citizenship And Corporate Performance.

Introduction
Corporate Social Responsibility (CSR) is a concept that has attracted debate among scholars and practitioners. CSR has been defined by Jobber (2010) as the ethical principle that an organisation should be accountable for how its behaviour might affect the society and its environment that it is operating in. Carroll (1979) calls this an integration of ethical, legal and philanthropy components into economic activities of business. CSR can be summed up as being
about protecting the environment, getting involved in the local community and the wider culture in which a company does its business. Other scholars have simply referred to CSR as giving back to the community or society in which an organisation operates in (CIM, 2009). Revisiting Carroll’s (1979) work, Visser (2005) adds that CSR activities should be done on voluntary basis. CSR activities must not be forced on organisations and must go beyond the fulfillment of legal requirements. CSR is about being a good corporate citizen (Baker, 1999). The concept of CSR has attracted both proponents and opponents such as economist Milton Friedman and it continues to do so today in the prevailing unstable economic environments in which businesses are struggling to survive. Proponents of CSR argue that there is a strong business case for CSR in that corporations benefit in multiple ways by operating with a perspective broader and longer than their own immediate short term profits. CSR is believed to enhance corporate image and organisational performance (Baker, 1999). However, critics argue that CSR distracts organisations from the fundamental economic role of the business which is maximization of profits.

Research Problem and Objective
In Malawi, organisations engage in CSR too (Kayuni and Tambulasi, 2012). Since the liberalization of the economy in 1994, there has been increased entry into the domestic market of large foreign owned private organisations and within the same period, several large private sector organisations both foreign owned and local, have fallen (Kalua, 1999). As competitive pressure to survive became rife, during the same hard economic times for businesses, a growing number of private sector organisations have been increasingly engaging in different CSR initiatives trying to address negative social issues. To this effect, not many studies have been conducted to understand this phenomenon and establish reasons organisations in Malawi are increasingly conducting CSR initiatives in the light of the ongoing debate about CSR and the prevailing hard economic times facing businesses. Are organisations engaging in CSR merely to give back to the society or CSR is part of the wider strategy to improve competitiveness and survive? Are CSR activities having any bearing on the corporate performance of organisations that are engaging in such activities? It has been in the interest of this study therefore, to explore CSR in Malawi; the types of activities engaged, key underlying reasons for conducting CSR activities and any effects CSR activities have on corporate performance in organisations that pursue CSR initiatives. Specifically the study assessed the prevalence of CSR initiatives among corporate organisations, the key reasons corporate organisations engaged in CSR activities and analyzed the perceptions of managers on the relationship between CSR activities and corporate performance in the organisations that engage in CSR programmes. The study was necessary to contribute to knowledge about CSR practice in Malawi where few studies have been conducted, enlighten managers contemplating or engaging in CSR initiatives on the implications of CSR practice on corporate performance. Visser et al (2006) in their analysis of publications in CSR in Africa between 1995 and 2005 found that the volume of published research pertaining to CSR in Africa is extremely low. However, CSR in Africa is a critical area of scholarly enquiry driven by the legacy of widespread poverty and the trend
towards improved social responsibility by multinational companies in a globalizing economy. Therefore the study aimed at contributing to the debate about CSR and to the wider empirical knowledge on the subject matter. The study is relevant to corporate responsibility, corporate citizenship and corporate performance.

Concept of Corporate Social Responsibility
The Corporate Social Responsibility (CSR) concept came into popularity in the late 1960’s (Copper and Madden, 1995). CSR was perceived controversial and suspected to be inconsistent with the free enterprise system. Although there is no commonly agreed definition of CSR in literature because of differing perspectives and approaches, CSR has been defined by Jobber (2010) as the ethical principle that an organisation should be accountable for how its behaviour might affect the society and its environment that it is operating in. CSR activities are done on voluntary basis and are expected to go beyond the fulfillment of legal requirements. It is about being a good corporate citizen (Baker, 1999).

According to Andreasen (1995) CSR has three key components (1) the basic values, ethics, policies and practices of a company’s business, (2) the voluntary contributions made by a company to community development and (3) the management of environmental and social issues within the value chain by the company and its business partners. CSR would enable a business embrace responsibility for the impact of its activities on the environment, consumers, employees, communities and all other members of the public (Cooper and Madden, 1995). CSR focused businesses proactively promote the public interest by encouraging community growth and development and voluntarily eliminating practices that harm the general public regardless of legality. Carroll and Buchhotlz (2000) cited in Jobber (2010) argue that economic, legal, ethical and philanthropic responsibilities are layers constituting CSR. Economic responsibility involves producing profitably, goods and services wanted by the market; legal responsibility involves pursuing the economic goals within the framework of the laws of the society within which the firm operates. Ethical responsibilities comprise the expectations of the society over and above basic economic and legal requirements such as honesty in business relationships, and the philanthropic responsibilities involve proactively and positively making contributions to the society for example constructing community amenities, making donations and supporting good causes in society.

Alternative variations of CSR in literature include corporate citizenship and corporate sustainability. The use of the term sustainability in the latter reflects the three dimensions embodied in the triple bottom line of business and that includes the profit, people and planet (Elkington, 1997). With these dimensions, corporations engaging in CSR activities need to measure their performance not just by how well they further the interests of their primary stakeholders (shareholders) through profitability but also through how well they further or protect the interests of the secondary stakeholders, in terms of economic, social and environmental sustainability (CIM, 2010).
Arguments against Corporate Social Responsibility

One of the key arguments against CSR comes from the neoclassical or corporate productivity model which is more affiliated to economist Milton Friedman (1970). It is argued that the goal of business is to bring profit to its shareholders and anything such as nebulous issues of social responsibility should be avoided at all costs (Cronin, 2001). Socially responsible activities are in this case seen as undisciplined double tax on a firm, a tax that leaves managers unfocused and investors frightened. It is argued that public interest is served by profit maximization because the state levies taxes on corporate profits which are in turn used to address the issues of public interest such as building of schools, hospitals and protection of the environment (Johnson, 2010).

Further arguments against CSR are that CSR activities increase the price of the end product or service as organisations pass on the costs of CSR activities. Baker (1999) argues that most corporations do lack knowledge, perceptions, skills and patience to deal with society’s problems and that CSR activities decreases short run profitability and that governments should just pass the laws they want obeyed and enforce them and not expect businesses to go beyond the law in solving the problems of society. Kotler and Keller (2009) further argue that CSR policies are costly and represent an opportunity cost in that the funds used for CSR initiatives could alternatively have been used or spent on more direct value adding and profitable priorities. McWilliams and Siegel (2000) observe that CSR has become fashionable that it no longer has any credibility with consumers. Consumers see CSR initiatives as public relations exercises without any real substance. This argument could be supported by looking at the trivial activities some corporations engage in, whilst spending more in publicizing the initiatives through various media outlets to gain publicity.

In his study examining how CSR is perceived by occupational social workers and corporate leaders, Weinstein (1995) found that 40 to 50 percent of the respondents viewed the numerous CSR activities as not being relevant activities in their respective organisations.

Arguments for Corporate Social Responsibility

CSR is however a continually evolving concept and many believe that it is necessary for companies to carry out CSR activities. Proponents of CSR argue that the social problems that are faced by different organisations today were brought by growth of business itself. Therefore businesses must take leading roles in rectifying the problems before they get even worse to affect the future survival of the businesses themselves. Several empirical researchers have therefore argued in support of CSR initiatives because businesses are partially responsible for getting themselves in the mess they are in, so they should help to get themselves out of it. It is also felt to be in the best long run interest of the business to become intimately involved in promoting and improving communities in which it does business (Davis, 1973). Kotler and Keller (2009) notes that companies that innovate solutions and values in a socially responsible way are the most likely to succeed. By making communities a better place to live in, in turn entice superior and happier workers to the company who put out better products and increase profits (Davis, 1973). Baker (1999) highlights some benefits of conducting CSR activities in that CSR activities put the organisation closer to the society in good deeds and that improves the
corporate image and reputation, making the organisation more viable with the general public thereby increasing business and profits. Being socially and environmentally responsible would further help prevent possible unpalatable and even destructive government regulations and they say investors prefer to invest in socially responsible firms (Davies, 1973). Contrary to Weinstein (1995) who found that 40 to 50 percent of the respondents viewed the numerous CSR activities as not being relevant activities in their respective organisations, Andreasen (1995) found that 80 percent of CSR decision makers were confident in the ability of good CSR practice to deliver branding and employee benefits. They accept that when corporations make donations to charity they give away shareholders’ money but they only do that if they see potential profit/benefit in it. Firms may want to improve their image by associating themselves with a cause, or would want to counter a claim from pressure groups. Andreasen (1995) concludes that there is always an underlying financial motive to CSR initiatives so that the company benefits more than the charity.

In trying to explore the link between CSR and firm’s competitive advantage, Richard (2007) cited in Banerjee (2007) found that by building positive stakeholder relationship through CSR a firm is able to positively influence stakeholder assessment and hence gain reputational capital. Conducting a similar study, Porter and Kramal (2006) found that many companies seemed to have awakened to CSR in the 1990’s after being surprised by public awareness and responses to issues that they had not previously thought were part of their business responsibilities. According to Porter and Kramal (2006) traditional approaches to CSR have considered business and society to be in opposition but in actual essence they are in symbiosis therefore understanding the latter ideology in strategic CSR consequently creates competitive advantage. Furthermore, Saunders (2006) found that 52 percent of consumers are more likely to recommend a brand that supports good causes over the one that does not. 55 percent of consumers according to Saunders (2006) contended that in a recession, they would buy from brands that support good causes even if they were not necessarily the cheapest. Based on this study, Saunders (2006) argue that companies that have made CSR a central part of their business were reaping the benefits in the form of company sustainability, reduced liabilities and insurance costs and brand image.

**Corporate Social Responsibility Activities**

Organisations carry out CSR initiatives in various areas that include education, health, physical environment, agriculture, safety and security, and charity (Cooper and Wayman, 2009). Jobber (2010) classifies CSR activities into five dimensions: physical environment, social, consumer, supply chain, and employee relations.

According to Jobber (2010), the physical environment dimension involves issues of combating global warming, pollution control, conservation of energy and other scarce resources, use of environmentally friendly ingredients and components, recycling and non wasteful packaging. The social dimension includes support for the local community and the wider community; and consumer dimension involves product safety, avoiding price fixing, honesty in communications, respecting privacy etc. The supply chain dimension includes fair trading, standard setting for suppliers (human rights, labour standards and environmental responsibility) and the employee

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relations dimension involves fair play, equal opportunities, training and motivation, employee consultation and information provision (CIM, 2010).

McWilliams and Siegel (2000) noted that there are variations in the activities involved under each dimension in African context for example the social dimension may involve construction of schools, hospitals, drilling bore holes, and distribution of food items to the less privileged or marginalized communities. Philanthropy is more pronounced in CSR activities in African context according to studies conducted in Zambia and Tanzania by Kivuitu and Yambayamba (2005). Kayuni and Tambulasi (2012) found that organisations in Malawi conducted CSR activities on ‘ubunthu’ (humanness), and willingness to give back to the community to which firms believe it is their moral responsibility. According to Malawi Foreign Private Capital and Investor’s Survey report (2012), spending on CSR programmes among private companies in Malawi rose by 32 percent between 2009 and 2012. Much of these CSR activities were in local infrastructure development, environmental preservation, and health and education sectors.

According to Jobber (2010) an organisation that addresses issues highlighted under the five dimensions is deemed to be exercising CSR. This therefore informed the study framework in assessing the CSR activities conducted by organisations in Malawi as presented in Figure 1.

![Diagram of CSR dimensions](image)

**Corporate Social Responsibility and Corporate Performance**

Corporate performance is a multi-dimension concept that is measured using different parameters. Aras et al (2010) say corporate performance can be measured according to the level of profit made, market share attained, level of output achieved, total revenues, total sales, number of customer complaints, number of lost or retained customers and growth rate of business. However, corporate performance measurement is dominated by financial performance indicators with profitability as the main variable.
Studies have been conducted in this respect to establish whether there is a relationship between CSR initiatives and financial performance in developing countries. Aras et al (2010) established that there was a relationship between firm size and CSR however, the study was not able to find any significant relationship between CSR and financial performance. Van De Velde et al (2005) found that high social responsibility rated organisations performed better than their lowly rated socially responsible counterparts. In his work to establish how CSR affects loyalty of customers, James (2008) collected archival data of the financial results from 2002 to 2006 of four large US corporations and established that the role of CSR and its importance in engendering loyalty was very minimal and there was no significant relationship between a company’s CSR practices and financial performance.

Margolis and Walsh (2003) conducted an overview of empirical researches that were conducted between 1972 and 2002 on CSR in search for a link between CSR and corporate financial performance. Their review found that 127 studies were published over the period with 109 studies having CSR as an independent variable and corporate financial performance as a dependent variable. Of these studies 54 pointed to a positive relationship between CSR and corporate financial performance, 7 studies found negative relationship, 28 studies reported non-significant relationship and 20 studies reported a mixed set of findings. A meta analysis of 52 CSR studies by Orlitzky, Schmidt and Rynes (2003) found a positive association between CSR and corporate financial performance. And a review of 51 empirical researches in CSR conducted by Griffin and Mahon (1997) found that 33 studies reported a positive relationship, 9 studies reported no relationship and 20 studies reported a negative relationship.

In these reviewed studies, however, Margolis and Walsh (2003) point out flaws in the different studies in that the studies suffered from reliability and validity issues of CSR and corporate financial performance measures, sampling problems, and lacked the causal theory to link CSR to corporate financial performance. Financial performance is typically affected by many other mediating variables which were not thoroughly considered by researchers according to Peloza and Shang (2011) just as Moon (2007) investigating the relationship between CSR performance and corporate financial performance established that the positive association between the two variables was mainly due to the unobserved heterogeneity specific to firms.

Therefore after decades of research there is no definite consensus on the effect of CSR on corporate performance. Due to the failure amongst empirical researches reviewed to establish conclusive linkages between CSR and corporate performance, it was hypothesized in this study that there is no relationship between CSR and corporate performance.

**Research Methodology**

A survey was conducted on a conveniently selected sample of managers holding positions of marketing managers and directors, public relations managers and officers, and managing directors from 40 non randomly selected companies in 10 private sector industries purposively selected for the research from the total of 18 private sector industries in Malawi. 4 companies were non-randomly selected from each of the 10 industries that included; accounting and audit, agriculture, agriculture processing industries, automobile, commercial banking, hotels
and tourism, manufacturing, retail, security, and telecommunication. Three key respondents were identified from each of the selected companies, generating a research sample size of 120 respondents.

120 questionnaires were administered to the sample whereby in the first section respondents provided demographic data that included name of company, company age, and sector the company operated in. Open and closed questions were used to collect the required data and measure the managers’ perceptions on the relationship between CSR activities their companies performed and the financial performance of their organisations. In the following section of the questionnaire, respondents were asked to respond to a ‘yes’ or ‘no’ if their organisations carried out any CSR activities. For respondents that indicated that their firms conducted CSR activities, they were further requested to list the CSR activities their organisations carried out followed by reasons why such CSR activities were conducted by the firms. The respondents provided the length of period their firms have been conducting CSR activities and provided their perceptions on a Likert scale on the impact CSR activities their firms undertook were having on the corporate performance of their organisations.

The questionnaire was first piloted on 20 managers from 10 different companies from the sampled industries to assess comprehension and structure of the questionnaire. Following few amendments to improve on the structure and inconsistencies, the questionnaire was administered to the targeted 120 respondents.

Data collected was analyzed using content analysis which is a systematic technique of comparing and extracting many words or texts into fewer context categories to describe and quantify phenomena (Cavanagh, 1997). The types of CSR activities were analyzed to extract themes in line with the five dimensions by Jobber (2010).

**Limitations of study**

It remains a fact that delivery and collection of research questionnaires to targeted respondents is prone to abuse as there is no direct control to ensure that the questionnaires are indeed filled in by the targeted respondents who may delegate responsibility, such that data may not come from the intended sources. The responses may be subjective depending on how respondents interpreted the questions as well. The measurement of the relationship between CSR and corporate performance was based on perceptions of managers who are familiar with both elements under study. It would have been better to test the relationship of the two concepts based on objective organisational performance data which the research could not access. Therefore the results of the study should be read and applied with awareness of such limitations.

**Research Findings and Discussion**

40 firms participated in the research from 10 private sector industries that comprised accounting and audit, agriculture, agriculture processing industries, automobile, commercial banking, hotels and tourism, manufacturing, retail, security, and telecommunication. 105 questionnaires were received out of the 120 questionnaires distributed with 100 usable
questionnaires. That represented an 83 percent response rate. 67.5 percent of the firms that participated in the study have been in operations for more than 10 years.

The content analysis of the data on the CSR dimensions and attributes in each dimension based on Jobber (2010) reveal that the social dimension which involves support for local community and the wider community has various attributes/areas of CSR activities that firms engage in. These include support for the local communities in agriculture, health, education, local infrastructure development, sports and entertainment, girl child and orphanages, and safety and security. The physical environment dimension added environmental preservation. The research results show high prevalence of CSR activities among firms in Malawi as all firms that participated in the study indicated that they were involved in CSR programmes of one kind or another. It was common for firms to be involved in more than one type of CSR activity.

Across the five dimensions of CSR activities as described by Jobber (2010), Malawian firms concentrate CSR activities in the social dimension and physical environment as depicted in Table 1. There is a huge concentration of CSR activities in health sector with 80 percent of the surveyed firms, education with 72 percent of the surveyed firms, local infrastructure development with 64 percent, sports 40 percent and 32 percent engaged in girl child and orphanage support.

Malawi is one of the poorest countries in the world with 50.7 percent of the population of approximately 17 million people being poor and above 80 percent of the poor people live in rural areas where social services that include health facilities, water and sanitation, and school infrastructure is poor and in short supply. It is therefore not surprising that firms are concentrating their CSR activities in social provisions in effort to help alleviate the suffering of the majority poor. In the same respect, 56 percent of the surveyed firms have some of their CSR activities focused in environmental conservation under the physical environment dimension. Malawi physical environment has been depleted whereby trees have been wantonly cut down in mountains, natural forests and catchment areas to burn charcoal and for fire wood. The growing population of Malawi use charcoal and firewood as the major source of household fuel that has led to excessive deforestation. Deforestation is believed to be the cause of climate change, excessive flooding, siltation of rivers and other water bodies and scarcity of water in rural communities. This has been an area of significant interest among firms in Malawi most of whom have therefore been working with communities in forestation programmes as part of CSR activities.
Table 1: CSR activities conducted by surveyed firms

<table>
<thead>
<tr>
<th>Dimension</th>
<th>CSR Activity</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical environment</td>
<td>Global warming</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Pollution control</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Conservation of energy</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Conservation of scarce resources</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Environmental preservation</td>
<td>56</td>
</tr>
<tr>
<td>Social</td>
<td>Support for agriculture</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Support for local infrastructure</td>
<td>64</td>
</tr>
<tr>
<td></td>
<td>Support for health</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td>Support for education</td>
<td>72</td>
</tr>
<tr>
<td></td>
<td>Support for entertainment</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Support for sports</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>Support for girl child &amp; orphanage</td>
<td>32</td>
</tr>
<tr>
<td></td>
<td>Support for safety and security</td>
<td>8</td>
</tr>
<tr>
<td>Consumer</td>
<td>Product safety</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Honesty in communications</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Respect for privacy</td>
<td>0</td>
</tr>
<tr>
<td>Supply chain</td>
<td>Fair trading</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Standards setting</td>
<td>0</td>
</tr>
<tr>
<td>Employee relations</td>
<td>Equal opportunities</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Training and motivation</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Employee consultation</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Information provision</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: Data analysis based on improved CSR framework from CIM (2010)

When asked for the reasons why firms engaged in CSR initiatives, results in Table 2 show that 93 percent of the respondents stated that their organisations wanted to give back to the communities. This aligns with the findings of Kayuni and Tambulasi (2012) that organisations in Malawi engaged in CSR activities based on the ‘ubuntu’ (humanness). Firms feel obliged to
give back to the communities in one way or another in areas where people are suffering the most and these areas include health, education, poor physical infrastructure and effects of environmental degradation. 70 percent of the respondents specifically noted that their organisations feel it is a moral obligation to beset some of the problems the society is facing, whereas 60 percent were in fact engaging in CSR activities in direct response to requests from communities for help in areas of health, education, and physical infrastructure development.

Table 2: Reasons for conducting CSR activities

<table>
<thead>
<tr>
<th>Reason</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategy to avoid some other government regulation</td>
<td>21</td>
</tr>
<tr>
<td>Marketing strategy to enhance overall corporate image</td>
<td>86</td>
</tr>
<tr>
<td>To gain competitive advantage</td>
<td>37</td>
</tr>
<tr>
<td>Moral obligation of business</td>
<td>70</td>
</tr>
<tr>
<td>Means of giving back to the community</td>
<td>93</td>
</tr>
<tr>
<td>Responding to requests made by communities</td>
<td>60</td>
</tr>
</tbody>
</table>

Source: Content analysis of data collected

There are however, 86 percent of the surveyed firms who felt their CSR activities are part of a marketing strategy to gain publicity and build corporate reputation among their targeted consumers. These are firms that mostly engaged in sponsorships of sport and entertainment events as part of their CSR activities. Sports and entertainment events attract huge followers and patrons such that firms view sponsorship of such events as huge opportunities to build brand image and corporate reputation.

Therefore the research results find two key reasons for CSR activities in Malawi and these are; firms feel obliged to give back to the communities where there is more suffering amongst the poor population and other firms view CSR as part of the wider marketing strategies to build product brand and corporate image. This is the view prevalent among firms into sport and entertainment events support.

Although the research adopted the framework based on the work of Jobber (2010) where CSR activities are classified into five dimensions; the physical environment, social, consumer, supply chain and employee relations, it is the social and physical environment dimensions where most firms engaged their CSR activities. None of the firms have CSR activities to do with consumer, supply chain or employee relations according to the results of this study and this may have implications on the benefits firms perceived to have from their CSR initiatives.

With the focus of CSR activities on social dimension in the areas of health, education, girl child and orphanage support and the physical environment, 52 percent of the respondents were of the view that there was no relationship between the CSR activities they engaged in and the financial performance of their organisations. However, 12 percent of the respondents felt CSR activities impacted on their financial performance negatively by increasing costs of operations, and 36 percent were of the view that the relationship between CSR and corporate performance was minor looking at the performance improvement or in terms of reputational benefits. This
may not be surprising because within the business structure, improvements in consumer performance, supply chain and employee relations are bound to bring more benefit to the firm than social endeavors of the nature carried out by most of the firms studied. The correlation coefficient of CSR and corporate financial performance according to responses of the study was -0.086 and denotes a negative and weak relationship between CSR and firm performance. This therefore supports the findings by Aras et al (2010) and James (2008) who found that there was no relationship between CSR and organisational performance.

However, 93 percent of the respondents expected that corporate image of their organisations would gradually improve as the firms would be perceived caring and responsible for their actions. To the effect of continued CSR activities, 83 percent of the respondents did allude that their firms do have budget allocations to CSR activities whilst 17 percent of the firms carry out CSR activities on ad hoc basis. The main challenge however to all the firms surveyed was their inability to assess the impact of CSR activities they engaged in had on their overall performance. The respondents were not sure either if on the other hand their activities were bringing the desired effects to the targeted communities as that was difficult to assess as well.

Over 50 percent of the respondents were of the view that CSR activities did not distract their organisations from the pursuit of the economic role of maximizing profit refuting the argument by opponents of CSR that it does distract firms on the profit maximization.

Conclusion
The research found prevalence of CSR activities among firms in Malawi. The CSR initiatives concentrate within the two dimensions of social and physical environment. None of the surveyed firms indicated any CSR activities that could be categorized within the other three CSR dimensions of consumer, supply chain and employee relations as per Jobber (2010) classification. The main reason firms in Malawi engaged in CSR activities was to give back to the communities which Kayuni and Tambulasi (2012) called ‘ubunthu’ (humaness). Although 83 percent carried out CSR to build the corporate image and reputation, this was the common view among firms that engaged in CSR activities related to support for sport and entertainment events.

The study further found that CSR has negative and insignificant relationship with corporate financial performance. Managers in Malawian firms are of the view that CSR activities do not however affect their operations although 12 percent were aware of the negative impact CSR activities have in increasing organisation’s costs. 83 percent of the respondents are hopeful that CSR initiatives will help improve the corporate image and reputations of their firms as communities regard them as caring.

Areas for Further Study
The study explored CSR activities and their relationship with corporate performance through measurement of perceptions of managers in firms that engaged in various CSR activities. It would be interesting in future to measure performance of firms based on the objective performance indicators while isolating key performance drivers to determine if CSR is a key driver of corporate performance. It would be of further interest to measure the impact
(benefit) of CSR activities in the targeted communities to determine if indeed what organisations are spending through CSR activities are well focused and benefiting the targeted communities regardless of whether firms feel their benefit or not.

References


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