

Perceptions of Stakeholders in Corporate Social Responsibility and Irresponsibility in Tanzania

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Abstract

For a corporate to survive in a competitive market environment, it must ensure the needs of its stakeholders are given the first priority. Every corporate is obliged to take a responsible part in a community so as to afford a life time existence of its products and the life of its society in general. This can simply be termed as Corporate Social responsibility. It is an obvious fact however, that while most companies have been practicing corporate social responsibility, other companies have been irresponsible to their societies and to the environment surrounding them.

The aim of this study was therefore to understand stakeholders' perceptions, regarding corporate social responsibility and irresponsibility in their societies. Whereas, using an Explorative Factor Analysis study in beverage industries in Tanzania, we found corporate support and corporate geniality is influencing factors for company's social responsibility. While, Corporate Environmental Management and Corporate Safety Management were said to influence corporate social irresponsibility.

This study later recommended on producing socially desirable products and services as the suggested central goal for every company. And second, because moral and environmental pollutions may sometimes be inevitable to abstain, companies were recommended to take responsible compensations if in any case pollutions occurred.

Introduction

Background of the Study

Businessmen are responsible for the consequences of their actions in a community that covered by their profits and loss. Most corporate and companies have brought lots of problems and hazards that have damaged the community and the environment (Calo, 1974). However, we argue that, corporate assume responsibility for addressing these problems and

with which it will increase the chances of survival in the future and reduce problems arising within the society concerning the organization.

It is true that, in the business world effective organizations have been striving to survive in a competitive business environment. Through efficient use of factors of production and other facilities from the society, this process of surviving has put companies in a dependent relation with our environment and other stakeholders. As cited by Mullin (2005), the base of this relation is built in a two-way-traffic that is if corporate have to take some from the environment, then stakeholders have to be compensated for what has been taken.

It has been noted that, while some companies try harder to cooperate with the society, others have been running away from their responsibilities within the community (Armstrong, 1977). It is possible that, when business forsakes its responsibilities to the community or creates an intentionally overinflated image of the corporate social responsibility, it is most likely to end up with undesired outcomes. This creates misunderstandings between the community and the corporate.

Moreover, there are some businesses that are said to be continuously involved in the corporate social irresponsibility in the society. These include the auto mobile companies and big oil companies (Kotchen et al, 2011). Most businesses engage in corporate social irresponsibility as an outcome of adapting business practices that do not associate with moral standards of communities surrounding them. This could be in form of child labour, moral pollution and society discrimination. In this essence also, most companies have been a result of disastrous environmental pollution such as emissions of gas and spilling of oil that endanger the lives of people in our communities (Armstrong, 1977).

As noted by William (2010), in his "Stakeholder's Model", the most important entity of any corporate is their stakeholders. These are defined as all those with a "critical eye" on corporate actions (Bownmann-Larsen and Wiggen, 2004), and who are also termed by Freeman (1984), as a group of individuals who are affected by the achievements of organization mission. Corporate should understand that, most of the people in the community are not only investors or consumers, but they are also people who are guided by moral standards and who are affected by the corporate in one way or the other (Pamler and Hartley, 2002). It is therefore the responsibility of corporate to ensure that the needs and interests of multiple stakeholders are met.

The corporate needs to respond to the social responsibilities for two reasons; one is philosophical, where the corporate is needed by the society to take a responsible part in a community along with the locals and other social institutions. The other one is pragmatical, where by the corporate is needed to value the moral standards of the society, or else, its business life will be jeopardized (Parmer et al, 2010).

Corporate Social Responsibility has been a key part of the agenda of many companies that often walk a long way to promote good work (Calo, 1974). It has been a vital strategy for companies to survive in a ruthless market environment, and in enabling them to win the trust and confidence of the people. Recently, the market and customer preferences have become more unpredictable and complex, forcing companies to become directly and constantly involved in the society activities. This includes engaging themselves in programs that have development impact to the community. A good example has been shown by Airtel Tanzania in giving scholarships to students so that they can be able to reach their goals.

Although most companies have been trying hard in promoting good moral standards and assisting in community projects, a lot more others have been consequently playing a role of irresponsibility. This has been done through underpaying and overworking company workers,

limiting working resources and withdrawing workers incentives such as life and medical insurances. Another one includes spilling of toxic chemicals in the environment as done by most beverage industries which have resulted into spreading of dreadful diseases, birth of disabled children and severe deaths (www.bschooll.com).

While most firms in Tanzania have been engaging in corporate social responsibility so as to increase acknowledgement within the society, at the same time they have been creating a distressful environment to the people. This is through noise pollution, air pollution and constant accidents. This in turn puts both questions of responsibility and irresponsibility as vital to their stakeholders.

The study aimed at firstly, exploring the perceptions of stakeholders on the practice of corporate social responsibility and corporate social irresponsibility in the Tanzania beverage industries in particular. It also intended to examine the accuracy and relevance of the assistances and support given out, if in any case correlate to the needs of the societies by Tanzania beverage companies. Secondly, to explore the perception of stakeholders on corporate social irresponsibility practices by beverage companies in Tanzania.

Literature Review

Corporate Social Responsibility and Irresponsibility

This means commitment to behave ethically and contribute to economic development while improving the quality of life of our workforce and their families as well as the local community at large (Nexen, 2011). It can be also be defined as a duty of businessmen to follow policies and the ability to make the choices or select those chain of action, which are desirable in terms of objective and value of our society (Bowen, 1953).

In this study, the concept of corporate social responsibility is defined as the involvement of the corporate in the community activities and assisting where there is a need. It also includes adhering to social values of the society that surround the company, and taking accountability of the various actions that destroy the environment and the community at large.

This is a series of actions done by the company that increase extra cost and promote distributional conflict within the community surrounding it (Kotchen et al, 2011). It is a decision to accept other options, which is believed by decision makers to be inferior to the other option when the effects upon all parties are considered (Armstrong, 1977). Armstrong also stated that, the tendency of the top management in the firms to act in their own interest, has often led to social irresponsibility.

In this case, Social irresponsibility can be termed as the tendency of the corporate not to abide with the moral standards set by the community, destruction of the environment and treating of the stakeholder by demolishing them.

Theoretical Perceptives

There have been a great number of theories explaining the conduct and action of the corporate social responsibility and irresponsibility. Some of these theories include:

Garriga and Mele (2004) noted that, political theories emphasize on social power of corporation. That is any interference between the societies and corporate is a result of power. It should be understood that, power does not only come from within, but also from the outside world (stakeholders). In this aspect, the philosophy behind this theory looks at

corporate social responsibility as a source of gaining power in the business environment. Thus, it is very necessary for firms to take responsibilities in their societies as it will give them more authority (Garriga and Mele, 2004).

There are approaches that govern this theory; and one of them is corporate constitutionalism. This approach looks at the power in which corporate has within the society and the effect of that power over the society (Davis, 1960). Power of the firm can be handled through “social power equation” or “iron law of responsibility”. Whereas in social equation the corporate has power within the society but they have no total responsibility over that society. This is an ideology of free market which emphasizes on no business responsibility towards the society (Davis, 1960).

The iron law of responsibility on the other hand emphasizes on the use of power within the society. Whereas, if one does not utilize the power he has, it will easily be taken away from him. Also, if a firm does not make use of the power that it has in an agreeable way to the moral standards of the society, it will be taken away by other parties in the community.

The second approach is Corporate Citizenship which looks at the firm as a citizen. However, the corporate are not real citizens. But they are regarded as citizens due to the fact that they have the same responsibilities just like the real residents. These include paying taxes, abide with the laws of the society, take part in social activities, follow moral standards and way of living of the society and lastly to be of profit to the society (Caroll, 1979).

Ethical theory focuses on the ethical needs that bind the society and the corporate. It concentrates on the universal principles, codes of conduct and the importance of relation of the corporate social responsibility and sustainable development for the society (Garriga and Mele, 2004). It represents the right things to be done so as to obtain a good society.

The main theories underlying the ethical category include; the Normative Stakeholder Theory, which puts stakeholders as the people with rightful interest in the corporate. The interest of the group in the society is said to be presented in their own sake, and they actually don't further the interests of others such as stockholders (Garriga and Mele, 2004).

There is also the Universal Rights Theory, which is the human rights based approach proposed for the firm to act responsible by the UN Global compact. Corporate are supposed to adhere to human rights labour and environment.

Sustainable Development Theory, which emphasizes on presenting of needs without considering the capacity of the coming generation to obtain their own desires (World Commission on Environment and Development (WCED), 1987). Sustainable development needs to incorporate social environment and economic aspects, so as to balance the long term evaluations in corporate responsibility

Lastly, is the Common Good Approach, which is the classical concept of Aristotelian tradition (Smith, 1999). The theory assumes that, business is the same as any other group found in the society and has to take part in the community. Corporate has to contribute to common good in various ways such as supplying of good and service to the society and participate in well being of the people in a friendly and a peaceful way (Mele, 2002). It should not be seen as a mediating institution (Fort, 1999).

In addition, the most important thing to note is that, there is no common standard of conduct in the world. What might be considered right in a certain country might be wrong in another country a good example are the child labor laws applied in Rwanda and Burundi. Because of the 1994 wars in these two countries, child labor laws had to be minimized to the age of 16. Thus, the same laws accepted in Rwanda and Burundi is inconsistent with international laws

regulating child labor in the world. The same applies in the corporate-society relation that, what might be ethical to the company, might be unethical to the community. This is due to political systems surrounding the relation between the two.

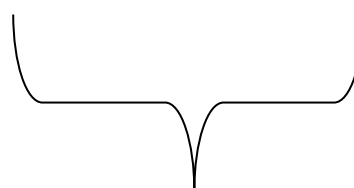
Moreover, values of a firm might also be considered unethical to the community due to the difference in valuing of things within the society. This has made difficulties in assessing relations between groups particularly in understanding each other (Wheenlen et al, 2010). It assumes that, the firm is an instrument for the increase of the company’s profit and that is its main responsibility. It also assumes that the relationship between the society and the company is of economic value. Therefore, it will result to the gaining of wealth (Friedman, 1970). It also assumes that, corporate social responsibility is a means of gaining profit (Garriga and Mele, 2004).

The main approach within instrumental theories is Maximizing of Shareholders’ Profit. Wheenlen and Hunger, (2010), argued that, as a human being needs food to survive, so does the firm needs profit to survive and develop. Therefore, maximization of profit is like maximizing food, although, maximizing profit cannot be the main responsibility of the company.

Is a neoclassical economic view which insists on the actions of the corporate and their negative impact to the society when a firm acts responsible, either by maximizing profit or by fighting environmental pollution, there is still a possibility of harming the society. The firm’s motive of doing a favor to the society is always drove by several hidden motives inside the firm. Thus, the firm will always be likely to face more charges in the society under which its solutions will also be harming the society (Wheenlen et al, 2010). Therefore, the main and only aim of the firm in the society is believed to be creation of profit (Wood and Jones, 1995). This argued that the corporate has mainly four responsibilities. The first one is to create profit, secondly is to follow the laws of the country. It is said that a company that has tendencies of breaking the law, is likely to gain less from the society (Baucus and Baucus 1997). The third one is social responsibility. This can be classified into two main categories, namely, the philanthropic responsibility and the ethical responsibility. Whereas, the former engages in activities that the society have not yet decided, and the later is concerned with the values and moral standards of the society. It should be remembered that each responsibility is taken into account only if the previous has been fulfilled (Wheenlen et al, 2010).

Table 2.1
Responsibilities of the corporate

Economic <i>(Must do)</i>	Legal <i>(Have to do)</i>	Ethical (should do)	Discretionary <i>(Might do)</i>
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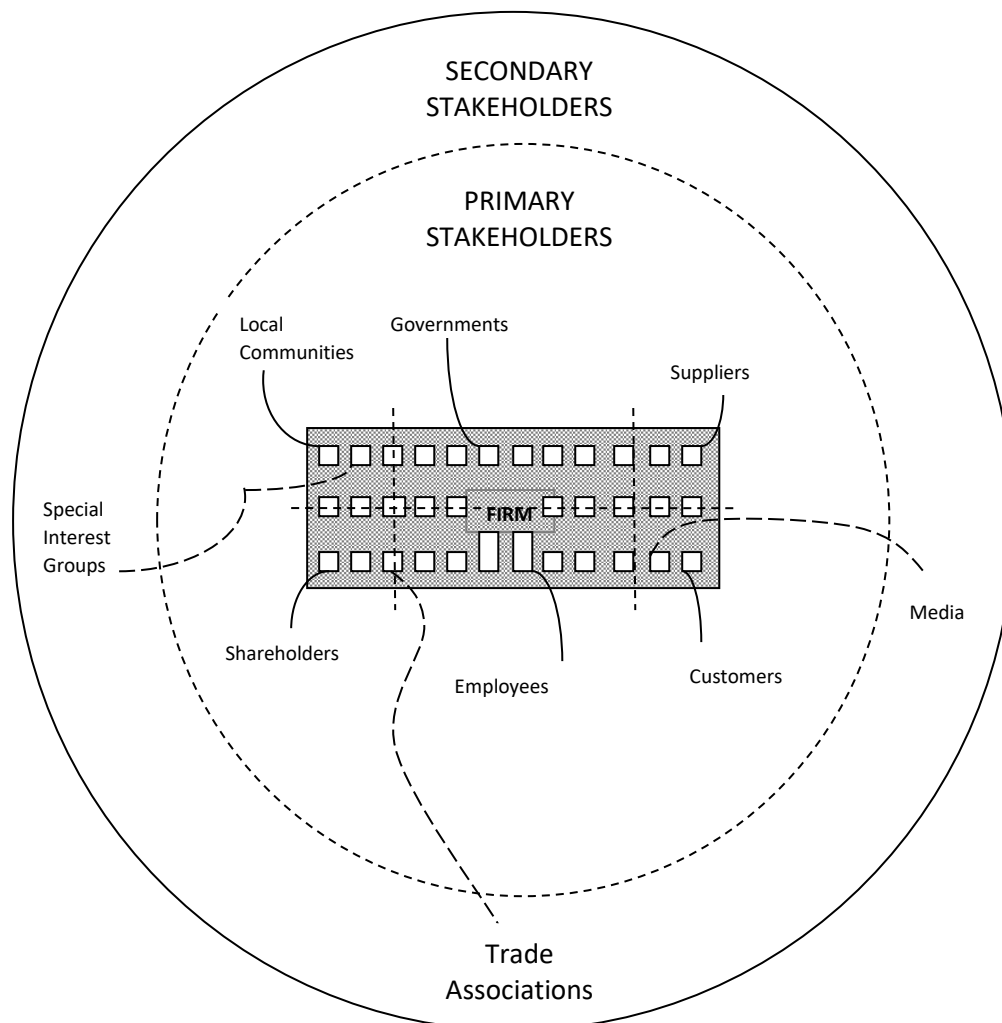
Social Responsibility

Source: (Wheelen and Hunger, 2010)

O’Riordan and Fairbrass (2008), has called the corporate stakeholder as a “critical eye”. This part of a group of people in the corporate, if not well taken care of, they might cause loss or closure of the company. These can be either formal individuals or a collective group that have the ability to affect the company in a positive or a negative way (Murray and Vogel, 1997). In a more critical manner, stakeholders are much involved with the organizational success and operations of the day to day activities of the company.

Stakeholders have been classified into two groups which are Primary and Secondary stakeholders. Primary stakeholders represent those who have a closer relationship with the company and the have high bargaining power (Woods and Jones, 2004). These include customers, creditors, shareholders, employees and suppliers. These stakeholders have the ability to affect the firm in a negative and positive way. It is the task of the firm therefore to understand how the minds of this category of stakeholders work. They are also the most valuable resource the company may use in reaching its goals and mission. Failure to abide to the needs of these stakeholders may lead to loss of profit and closure of the company (William, 2010).

Secondary stakeholders on the other hand, represent a category of people who do not have a direct connection with the company. Although this type of stakeholders do not communicate with the company on regular bases (Woods and Jones, 2004), yet, they affect company’s ways of conduct within the society, and they are also affected by the company’s actions to the community. Secondary stakeholders include Non Governmental Organisation (NGO’s), local communities, trade associations, governments and competitors (William 2010).

Figure 2.1 managing effectively model

Source: Chuck William (2010). *Managing Effectively* 4th Ed.

Many studies have measured corporate social responsibility while relating it to the financial matter of the firm. It has been seen that there is a possibility of measuring the relationship of the society and the corporate. Some measures have shown company's aims in dealing with social problems, while others have shown the company's reaction towards social issues such as pollution, poor sewage systems and littering of garbage (Wood and Jones, 1995). However, it has been noted that, companies' awful actions such as oil spill, plane crashes and constant bribery accusations display a terrible firms' image to the society.

In measuring social responsibility, the United States' professor, Donna Wood (2010), explained a framework that involves several levels. The first level explains the responsibility of company insisting on the connection between the community and business in a broader perspective. It emphasizes on what is needed by the corporate to the society.

The first level is put under of three major factors which explain the connection between the corporate and the society. These are; legitimacy, which looks at the corporate as one of the social groups in the community. It also explains the relationship and interconnection between the two. Secondly, is the public responsibility which mostly keeps a closer look at the processes and results of a firm to the community. Lastly, is the managerial discretion, under

which the managerial and corporate member ethics are put in question. That is, the management has to exercise ethics towards social responsibility (Hopkins, 2004).

The second level explains the processes of responsibility. Corporate social responsibility should involve the ability of the firm to react to social forces. In this way, the firm could survive in the business world. Any corporate needs to understand the environment in which it depends on, but most importantly corporate needs to critically examine the environment, (which is complex) and use the information obtained.

Moreover, there are three considerable elements in this level. These include; scanning of business environment whereas, the corporate gather information in the environment on different matters concerning the company and the society. The second element is shareholder management which mostly defines the boundaries between the connected relation of stakeholders and the corporate and thirdly, the corporate has to listen, find out and sort out societal suggestion, ideas and constraints so as to meet their expected goal and mission. However, the corporate is advised to first define and recognise the main stakeholder of the firm (Hopkins, 2004).

Lastly, is the outcome level which determined whether the corporate social responsibility is making any difference to the society. All stakeholders, however complicating, must be included when measuring corporate performance in the society. Additionally, this level has grouped stakeholders in three categories. The first ones are internal stakeholders who mainly are the people within the companies affecting day to day activities of the firm. Secondly, are external stakeholders who are people outside the firms and who are also affected by the activities of the firms. Lastly, are external institutions which also have an impact to individual firms and to the society at large (Hopkins, 2004).

A beverage is any liquid form that can be consumed by a human being for quenching of thirst or refreshing. It is any potable liquid, especially one other than water as tea, coffee, beer or milk (Dictionary.com). Beverages are classified into sport beverages which help to stay hydrated, healthy and fit. The second group is wine, which is an alcohol made of fumigated fruits juice for enjoyment. Third, is soft drinks which do not contain alcohol. They are carbonate soft drinks which are sweetened with sugar. These include ice tea, soda and squash lemonade. The last group is the flavored drink which is divided into three major groups called natural, organic and artificial drinks. However, beverages in Tanzania are classified into hard and soft drinks. Whereas, the former are the ones which are refreshing and quench thirst and the later are the ones with alcohol in them.

Beverages produced in Tanzania come from companies such as Azam SSB Group, Mohammed Enterprise Limited, Dar es Salaam Distillers, KIBUKU, Coca cola SABCO, Julius Import and Tanzania Breweries Limited. Meanwhile, there are other beverages imported into the country such as Ceres, Delmont juice, Bavaria and Heineken.

Table 2.2
Categories Of Beverages In Tanzania

FIRMS PRODUCT	SOFT DRINKS	HARD DRINKS
SBC Tanzania limited	✓	
Sayona drink limited	✓	
Serengeti brewery company		✓

Mohammed enterprise limited	✓	
Tanzania distillers limited		✓
Coca cola SABCO	✓	
Bakhresa food product limited	✓	
Banana investment limited		✓
Tanzania tea packers ltd	✓	
East African breweries ltd (Tanzania)		✓

Source: Developed by Researcher, 2018.

Corporate in Tanzania have been trying to engage themselves in communities, by supporting the needy and underprivileged sectors in the country in aspects of education, health, sports, gender and the environment. The main aim being to increase the standard of living, some efforts have been seen in recent campaigns, such that of breast cancer by the MEWATA, with the help of different financial institutions like Diamond Trust Bank.

There have also been constant engagements of firms in society activities, especially during hazardous times of floods, hunger and famine, bomb blasts and other tragedies that occur in our societies (www.jamiiforum.com). Companies like Azam SSB, IPP Media group and Vodacom Tanzania have been to a greater extent assisting the society by providing them with money and necessary tools needed by the affected society.

While a number of firms in Tanzania have been socially responsible to the societies surrounding them, lots of more others have been intentionally and sometimes without knowing, committing dreadful conducts to the environment. Beverage companies in particular, have been irresponsible in handling waste disposal and in maintaining proper dumping of their plastic bottles. Mobile-advertisements that use trucks, huge speakers with loud music and improperly-dressed dancing girls, have also been causing noise pollution and distraction of society values respectively.

Empirical Review

Despite of being widely researched areas, corporate social responsibility and corporate social irresponsibility still attract more attention and more researches to be done.

Yassin (2016) explored the nature of stakeholders in the corporate social responsibility by showing their relation with businesses. He came up with an argument that, there is need of stakeholders to engage in business organizations. This is due to the fact that, survival of business not only depends on the factors of production and other facilities, but also calls for interdependence with the society, governments and the environment at large.

Kemp (2003), who used the mining sector to study corporate-community leadership, outlined the role of participation between NGOs and corporate. For a company to understand social responsibility there should be a hand in hand collaboration with other sectors in the society. Pressures from NGOs determine the fate of externalities and in so doing, firm goals are reached in line with society development. Although this study did not get much attention in Global Resources Companies (GRC), yet it has been so efficient in individual level mining companies

Armstrong (1977), in his research on social irresponsibility in management, looked at the act of management in an irresponsible manner to the society. He observed that, the current

system of management has been acting in an irresponsible manner within the society. To that end, he proposed possible changes that are likely to reduce the level of irresponsibility in the system.

These researchers however, have not analyzed corporate social responsibility and irresponsibility in Tanzania. They did not show the practices of corporate in the Tanzanian society or on how they get involved in this society. Above all, they did not show peoples' perception on the corporate social responsibility in the community.

Conceptualization of Stakeholders' Perception in Corporate Social Responsibility and Irresponsibility

These are individuals, group of people or organizations affected by actions of the firms. They have a massive expectation that firms and businesses will act responsibly to the society and the environment at large. In our study, stakeholder was the local communities, customers and employee in the beverage companies. This research aimed at exploring the understanding they have in the conducts of beverage companies in Tanzania.

We aimed to explore company's actions in the community. This includes positive and negative impacts a company has on the environment, customers, employees and the community.

Stakeholders have created images towards companies operating within their societies. Their perceptions towards these companies are based on the practices of individual companies in the societies. An image of company therefore, can either be good or bad depending on how it displays itself in front of its stakeholders. This research intended to explore the image of corporate in the community through activities they engage themselves in.

These are misconducts of the firms in the society. If a company knowingly or unknowingly acts carelessly within the society, its actions may disrupt into chaos and discomfort. A socially irresponsible company can either mistreats its employees, pollute the environment, ignore values of the society or conduct any forms of discrimination.

This is an association of people or individuals with a purpose of making profit. This study intended to explore the actions of the firms toward the society, and how they react towards various responsibilities within the community.

Methodology

This research was an exploratory study, as its problem was not well clear and not well researched (Kotler and Armstrong, 2006). We understood how difficult it is to find the exact result or the right answers to our problem, thus, selection of this design was due to the little details available in the corporate social responsibility in Tanzania beverage companies. As a part of an experimental data, this study's population was stakeholders of beverage companies in Tanzania. This study was conducted in Dar es Salaam, Tanzania where most of beverage industries are found. Dar es Salaam is located at 6°48' South, 39°17' East and it is one of the commercial cities in the country where most of the beverage companies and stakeholders are found. Companies that were included in this study were Sayona, Tanzania Breweries Limited (TBL) Mohamed Enterprise Limited, Serengeti Breweries Limited (SBL) as to mention but few. This study interviewed 48 respondents (stakeholders) from different areas. That is, 14 employees from beverage industries, 14 customers and 20 people in Dar es Salaam local communities. In exploring the conducts of corporate towards the society, this study used purposive sampling so as to determine stakeholder's perceptions on how they understand corporate social responsibility and irresponsibility. The paper used interview, observation, Focused Group and schedules (Kothari, 2004). In this study, data which involves a one-to-one

discussion were collected. This was intended to be used so as to obtain direct access to the necessary information from the respondents. The study used structured questionnaire in a five pointed Likert paper scale, ranging from strongly agree to strongly disagree. This aimed at investigating respondents' perceptions on each variable under investigation. In this study, three stages were involved when analyzing the data. The first one was the multivariate approach, as we aimed at discovering the uncomplicated relationship of pattern between variables. The second one was Correlation analysis that was used to measure the power of determinants of the key variables. And lastly, was the regression stage where we constructed the relationship of the variables. Data collected in this study were reliable as adult respondents and literate respondents were a big part of our data collection process. Thus, this assured collection of information from respondents who were aware of the subject matter. It mostly looks at the instruments that are used and the point to which the measures of the instrument, measures what are supposed to be measured (Leedy and Ormrod, 2001).

Empirical Result and Discussion

Variable Description

This study used two broad variables namely Corporate Social Responsibility (**CSR**) and Corporate Social Irresponsibility (**CSIR**). CSR has 15 manifest (observed) variables while CSIR has 12 manifest variables (items). The responses for each manifest variable from 48 subjects were collected from the field. The responses were based on five-point likert scale i.e., 1=Strongly Disagree, 2=Disagree, 3=Neutral, 4=Agree and 5=Strongly Agree.

Descriptive Statistics

Descriptive statistics summarizes basic information for each manifest variable regarding a measure of central tendency (mean) and a measure of dispersion (standard deviation). The descriptive statistics for each manifest variable was measured on a five-point likert scale. This scale indicates the respondent's agreement or disagreement with the statement. Option 1 and option 2 denoted respondent's degree of disagreement with the statement. Option 3 indicated that a respondent is neutral or indifferent with the statement while option 4 and option 5 indicated respondent's degree of agreement with the statement. Consider table 4.1 and table 4.2 below:

Table 4.1

Summary Statistics (Corporate Social Responsibility)

Variable	Obs	Mean	Std. Dev.	Min	Max
csr01	48	3.208333	.988408	1	5
csr02	48	3.166667	1.117241	1	5
csr03	48	2.604167	1.026035	1	5
csr04	48	2.895833	.9280403	1	5
csr05	48	3.270833	.8929888	1	5
csr06	48	3.145833	.9890805	1	5
csr07	48	3.395833	.7362811	2	5
csr08	48	3.229167	.8809952	1	5
csr09	48	3.041667	.988408	1	5
csr10	48	2.916667	1.048471	1	5
csr11	48	3.208333	.8981857	1	5
csr12	48	2.916667	1.107678	1	5
csr13	48	3.145833	.9673298	1	5
csr14	48	3.1875	.8910011	1	5
csr15	48	3.270833	.7067933	2	5

Source: Researcher's Field Data Analysis, 2018.

Table 4.1 above shows descriptive statistics for all 15 manifest variables regarding corporate social responsibility for all 48 subjects who have been questioned. It can be seen that most of the mean scores for responses were neutral and four items showed low disagreement. This indicates that on average most of the respondents are less aware about corporate social responsibility.

Table 4.2
Summary Statistics (Corporate Social Irresponsibility)

Variable	Obs	Mean	Std. Dev.	Min	Max
csir01	48	3.041667	.8240619	1	5
csir02	48	2.458333	1.009705	1	5
csir03	48	2.583333	1.048471	1	5
csir04	48	3.208333	.7425755	1	5
csir05	48	3.270833	.7067933	2	5
csir06	48	2.979167	.9106832	1	5
csir07	48	2.645833	.956269	1	5
csir08	48	2.9375	.9318536	1	5
csir09	48	3.104167	.8809952	1	5
csir10	48	2.5625	1.049949	1	5
csir11	48	2.75	.9339917	1	5
csir12	48	2.6875	1.013867	1	5

Source: Researcher's Field Data Analysis, 2018.

Table 4.2 above indicates descriptive statistics for all 12 manifest variables regarding corporate social irresponsibility for all 48 subjects who have been questioned. It can be seen that most of the mean scores for the responses showed low disagreement while others showed neutrality with the statements. This indicates that to some extent on average most of the respondents are aware about corporate social irresponsibility.

Correlation Analysis

Correlation measures a linear association (relationship) between a pair of variables. The correlation matrix (R-matrix) provides Pearson's correlation coefficients for each pair of variables. This correlation coefficient ranges between -1 and +1 while values closer to +1 and -1 are considered to have strong relationship either positively or negatively respectively. Values which are closer to zero indicate weak linear relationship between the variables. However, there is a multicollinearity problem that may exist when variables have very strong relationship of 0.9 and above. This problem hinders factor analysis to determine unique factors. Multicollinearity can be detected by looking at the determinant of the R-matrix. The benchmark for the absence of multicollinearity problem in the correlation matrix is 0.00001, less than that there will be a problem of extreme multicollinearity in our data. Elimination of highly correlated variables is the solution for this problem at early stages. Also perfect correlation of the variables leads to singularity problem.

Table 4.3
CSR Correlation Matrix

	csr01	csr02	csr03	csr04	csr05	csr06	csr07	csr08	csr09	csr10
csr01	1.0000									
csr02	0.6037	1.0000								
csr03	0.5026	0.2444	1.0000							
csr04	0.2561	0.0787	0.4697	1.0000						
csr05	0.2481	0.1457	0.2124	0.2915	1.0000					
csr06	0.4471	0.4974	0.3516	-0.0295	0.2434	1.0000				
csr07	0.2936	0.2543	0.2681	0.0305	0.4483	0.4157	1.0000			
csr08	0.4327	0.1333	0.2202	0.0298	0.1899	0.3271	0.2836	1.0000		
csr09	0.4701	0.3404	0.3942	0.0976	0.2039	0.4942	0.2107	0.4286	1.0000	
csr10	0.2840	0.3027	0.4829	0.0128	0.2746	0.5044	0.2090	0.2284	0.5167	1.0000
csr11	0.3335	0.2615	0.1837	0.0776	0.2730	0.5159	0.3874	0.2073	0.3255	0.2899
csr12	0.4243	0.3381	0.4571	0.1777	0.4105	0.4580	0.3805	0.1944	0.4308	0.6351
csr13	0.3904	0.3314	0.3810	0.0173	0.1257	0.4443	0.0666	0.5591	0.4608	0.4318
csr14	0.4379	0.3099	0.2924	-0.1045	0.0685	0.5719	0.2736	0.4862	0.2809	0.3815
csr15	0.3439	0.2649	0.0923	0.1412	-0.0176	0.1858	0.1167	0.3424	0.2881	-0.0837

	csr11	csr12	csr13	csr14	csr15
csr11	1.0000				
csr12	0.3386	1.0000			
csr13	0.2826	0.3293	1.0000		
csr14	0.4287	0.1671	0.4366	1.0000	
csr15	0.1103	0.2197	0.3456	0.0528	1.0000

Source: Researcher’s Field Data Analysis, 2018.

Table 4.3 above indicates various interrelationships among the manifest variables concerning corporate social responsibility. It can be seen that no variables are highly correlated that can pose a problem of extreme multicollinearity in our analysis.

Table 4.4
Determinant, KMO and Bartlett's Test for CSR

Determinant (R matrix)	0.001
Kaiser-Meyer-Olkin Measure of Sampling Adequacy (Overall).	0.721
Bartlett's Test of Approx. Chi-Square	285.074
Sphericity Df	105
Sig.	0.000

Source: Researcher’s Field Data Analysis, 2018.

The determinant at table 4.4 confirms that the above correlation matrix (table 4.3) does not face the problem of singularity and extreme multicollinearity since its value of 0.001 is greater than the benchmark value of 0.00001. Thus, all statements correlate fairly and considering elimination of variables is not necessary at this stage.

Kaiser-Meyer-Olkin (KMO) is a measure of sampling adequacy. It ranges between 0 and 1. A value closer to 0 indicates that our factor model will be inappropriate while a value closer to 1 will indicate our factor model is suitable (correct). Thus, factors analysis will lead to clearly different and reliable factors. Kaiser (1974) suggested that KMO values greater than 0.5 are acceptable otherwise more sample data should be collected. In our case the KMO value is

0.721 which is good and we are confident that our factor analysis model is correct for these data regarding corporate social responsibility.

Bartlett's test of sphericity tests whether our correlation matrix is an identity matrix. For an identity matrix we mean that each pair of variables indicates zero correlation. Thus for factor analysis to be applicable we need to reject this hypothesis. The null hypothesis is rejected when the probability value is less than 0.05. This will ensure that there are some relationships of variables in our data. Thus, it can be seen that the test provided a probability significance value of 0.000 thus rejecting the null hypothesis of identity matrix for our correlation matrix. Thus, factor analysis will be applicable for our data regarding corporate social responsibility.

Table 4.5
CSIR Correlation Matrix (Matrix R)

	csir01	csir02	csir03	csir04	csir05	csir06	csir07	csir08	csir09	csir10		
csir01	1.0000											
csir02	0.2323	1.0000										
csir03	0.3407	0.6465	1.0000									
csir04	0.5418	0.2388	0.4691	1.0000								
csir05	0.3820	0.1503	0.1555	0.4172	1.0000							
csir06	0.4548	0.0800	0.3472	0.2268	0.4717	1.0000						
csir07	-0.2509	-0.2249	-0.1715	-0.3134	-0.1699	0.0646	1.0000					
csir08	0.3637	0.5060	0.5390	0.3882	0.2524	0.1990	-0.3835	1.0000				
csir09	0.1111	-0.0070	-0.2054	-0.0339	-0.1488	-0.3155	-0.2583	-0.1992	1.0000			
csir10	-0.4457	0.0326	-0.0338	-0.5083	-0.5824	-0.3213	0.2874	-0.2895	0.2113	1.0000		
csir11	0.3455	0.5753	0.6953	0.4141	0.1047	0.2689	-0.3156	0.5195	-0.1228	-0.0488	1.0000	
csir12	0.2706	0.7041	0.5955	0.3144	0.0315	0.2463	-0.0946	0.3392	0.0610	0.0087	0.0087	1.0000
		csir11	csir12									
csir11		1.0000										
csir12		0.5673	1.0000									

Source: Researcher's Field Data Analysis, 2018.

Table 4.5 above presents various correlations among the manifest variables concerning corporate social irresponsibility. It can be seen that no variables are highly correlated that can pose a problem of extreme multicollinearity in our analysis.

Table 4.6

Determinant, KMO and Bartlett's Test for CSIR

Determinant (R matrix)		0.003
Kaiser-Meyer-Olkin Measure of Sampling Adequacy (Overall).		0.689
Bartlett's Test of Sphericity	Approx. Chi-Square	252.141
	Df	66
	Sig.	0.000

Source: Researcher’s Field Data Analysis, 2018.

The determinant at table 4.6 confirms that the above correlation matrix (table 4.5) does not face the problem of singularity and extreme multicollinearity since its value of 0.003 is greater than the benchmark value of 0.00001. Thus, all statements correlate fairly and considering elimination of variables is not necessary at this stage. Our KMO value of 0.689 is good indicating that our factor model is appropriate for these data concerning corporate social irresponsibility. The Bartlett’s test of sphericity provided significant results indicating that our factor model is also appropriate.

Reliability Measure of Variables

In this study we are more concerned about inter-item reliability which measures the internal consistency of the data. This explains how items in our data are correlated with each other to describe a particular concept or construct. The Cronbach’s alpha coefficient has been adopted to measure the internal consistency reliability in this study. Cronbach’s values greater than 0.5 are considered to be acceptable, however values greater than 0.7 are highly recommended to indicate more reliability (Pallant, 2001).

Table 4.7

Cronbach’s Alpha Reliability Measure for CSR (All items)

Test scale = mean(unstandardized items)

Item	Obs	Sign	item-test correlation	item-rest correlation	average interitem covariance	alpha
csr01	48	+	0.7424	0.6818	.2543255	0.8466
csr02	48	+	0.5982	0.5017	.2633368	0.8566
csr03	48	+	0.6471	0.5669	.2615833	0.8527
csr04	48	+	0.2901	0.1842	.2958265	0.8712
csr05	48	+	0.4639	0.3741	.2817688	0.8622
csr06	48	+	0.7388	0.6775	.2546177	0.8468
csr07	48	+	0.5088	0.4392	.2826163	0.8593
csr08	48	+	0.5602	0.4815	.2742382	0.8572
csr09	48	+	0.6854	0.6147	.2595082	0.8502
csr10	48	+	0.6501	0.5684	.2604727	0.8526
csr11	48	+	0.5653	0.4855	.273264	0.8570
csr12	48	+	0.6956	0.6171	.2536922	0.8497
csr13	48	+	0.6426	0.5668	.2642039	0.8528
csr14	48	+	0.5773	0.4996	.2725138	0.8563
csr15	48	+	0.3634	0.2869	.2929916	0.8649
Test scale					.269664	0.8643

The overall Cronbach’s alpha coefficient of 0.8643 in the above table 4.7 indicates a high degree of internal consistency for all manifest variables regarding corporate social

responsibility. Also, it can be seen that all items are worth to be retained at this stage for further analysis. It can be seen from the last column (alpha) that removing any item from the scale would not lead to any significant increase in Cronbach's alpha.

Table 4.8

Cronbach's Reliability Measure for CSIR (All items)

Test scale = mean(unstandardized items)

Item	Obs	Sign	item-test correlation	item-rest correlation	average interitem covariance	alpha
csir01	48	+	0.6282	0.5409	.2360654	0.8040
csir02	48	+	0.6433	0.5364	.2268133	0.8032
csir03	48	+	0.7592	0.6757	.2110977	0.7893
csir04	48	+	0.6757	0.6052	.2356141	0.8007
csir05	48	+	0.5192	0.4322	.2504594	0.8127
csir06	48	+	0.5388	0.4267	.2419649	0.8127
csir07	48	-	0.4169	0.2833	.2542956	0.8250
csir08	48	+	0.7186	0.6366	.2217037	0.7946
csir09	48	-	0.2549	0.1214	.2721712	0.8358
csir10	48	-	0.5073	0.3711	.2420132	0.8189
csir11	48	+	0.7256	0.6449	.2208333	0.7939
csir12	48	+	0.6092	0.4951	.2306979	0.8070
Test scale					.2369775	0.8219

Source: Researcher's Field Data Analysis, 2018.

Table 4.8 above presents the Cronbach's alpha for each manifest variable regarding corporate social irresponsibility. It can be seen that all items are useful to be retained at this stage for further analysis. The overall Cronbach's alpha coefficient is 0.8219 indicating a high degree of reliability on all observed variables concerning corporate social irresponsibility. It can be seen that Cronbach alpha would not increase substantially by deleting any item from the scale.

Exploratory Factor Analysis (EFA)

Factor analysis is a multivariate statistical technique for data reduction. In factor analysis we want to determine latent variable(s) (factors) through examining observed (manifest) variables which imply the existence of that particular hidden factor(s). Factor analysis is useful in identifying underlying factors. In a theory of factor analysis it is assumed that the observed variables are correlated due to their dependency on one or more of the same hidden variables (i.e. factors). So in general, factor analysis compresses sets of complex data without losing data integrity, to form reduced set of factors, which are assumed to represent the observed variables under consideration. It eliminates duplication from a set of correlated observed variables. Observed variables which are correlated are clustered together into various independent sets of homogeneous items which will create new variables known as factors. The derived factors are relatively independent from one another i.e. factors are not correlated with one another. In EFA, the researcher has no prior idea about how many factors there are and where there are zero loadings.

Table 4.10
Final Rotated Loadings for CSR

Variable	Factor1	Factor2	Uniqueness
csr07	0.5501		0.5664
csr08		0.7118	0.4341
csr10	0.8436		0.2708
csr11	0.5982		0.5825
csr12	0.8176		0.3063
csr15		0.8502	0.2718

Source: Researcher's Field Data Analysis, 2018.

Table 4.10 above indicates the final rotated factor loadings for corporate social responsibility. The factors loading less than 0.4 were considered to be less significant so they were not displayed in our table. This has been done for the purpose of easy and clear interpretation of the rotated solution. It can be seen that items **csr07**, **csr10**, **csr11**, **csr12** have loaded strongly on **factor 1** while items **csr08**, **csr15** have loaded strongly on **factor 2**. The remaining items did not meet the inclusion criteria did not meet the inclusion criteria so they were deleted during the EFA process. Thus, we label factor 1 as **Corporate Support** and factor 2 is labeled as **Corporate Geniality**.

Table 4.11
Final Cronbach's Alpha for CSR

Factor	Items	Cronbach Coefficient	Alpha
Corporate Support	csr07, csr10, csr11, csr12	0.7072	
Corporate Geniality	csr08, csr15	0.5010	

Source: Researcher's Field Data Analysis, 2018.

It can be seen form table 4.11 above that the final reliability measure showed significant results since the Cronbach's alpha coefficient for each factor is relatively acceptable. Thus indicating internal consistency of the retained items in each factor they belong. So, the corporate social responsibility is influenced by corporate support and corporate geniality. On the other hand, the principal-component exploratory factor analysis regarding corporate social irresponsibility obtained the following results:

Table 4.14

Final Cronbach's Alpha for CSIR

Factor	Items	Cronbach Alpha Coefficient
Corporate Environmental Management	csir02, csir03, csir08, csir11, csir12	0.8690
Corporate Safety Management	csir01, csir04, csir05, csir10	0.7785

Source: Researcher's Field Data Analysis, 2018.

It can be seen from table 4.14 above that the final reliability measure showed significant results since the Cronbach's alpha coefficient for each factor is relatively good. Thus indicating internal consistency of the retained items in each factor they belong. So, the corporate seem to participate in environmental management and safety management.

Demographic Information

In a nutshell, this sub-section presents the summary statistics for demographic information of the respondents. It takes into account the gender of the respondents, the age group of the respondent, respondent's position in the organization, respondent's stakeholder ship and the favorite drink of the respondent. Consider table 4.15 below:

Table 4.15

Respondents' Demographic Information

Demographics	Label	Frequency	Percentage (%)	Mean	Standard Deviation
Gender	Male	31	64.58		
	Female	17	35.42		
	Total	48	100	1.64	0.48
Age Group	18-29 yrs	18	37.50		
	30-41 yrs	22	45.83		
	42-53 yrs	08	16.67		
	54-65 yrs	00	0.00		
	Above 65 yrs	00	0.00		
	Total	48	100	1.79	0.71
Respondent's Position in Organization	Customer	14	29.17		
	Local Community	17	35.42		
	Employee	17	35.42		
	Total	48	100	2.06	0.80
Respondent's Stakeholdership	Employee	18	37.50		
	Customer	15	31.25		
	Local Community	15	31.25		

	Total	48	100	1.93	0.83
Respondent's Favorite Drink	Beer	14	29.17		
	Spirit	04	8.33		
	Wine	04	8.33		
	Mineral	02	4.17		
	Soda	12	25.00		
	Natural Juice	07	14.58		
	Manufactured Juice	03	6.25		
	Traditional Drinks	02	4.17		
	Total	48	100	3.77	2.27

Source: Researcher's Field Data Analysis, 2018.

From the table 4.15 above it can be seen that most of the respondents in this study were male accounted for 64.58% of the total respondents. Also it can be observed that about 45.83% of the total respondents were in the age group between 30 yrs and 41 yrs. Most of the employees and people from the local community were questioned however, employees formed a larger group as stakeholders about 37.5% of the total respondents. Also about 29.17% of the total respondents favor to drink beer while about 25% and 14.58% prefer to drink soda and natural juice respectively.

Managerial Implication and Conclusion

Conclusion

Generally, the society regards social responsibility as a centerpiece of any corporate. It is through the social responsibility that the company can produce outcomes which are socially desirable. Thus, the key purpose of this study was to examine the perceptions of the stakeholders regarding social responsibility and social irresponsibility practices of the beverage company in Tanzania. The primary data was collected from 48 subjects regarding their perceptions on social responsibility and social irresponsibility of various beverage companies producing soft drinks and hard drinks (alcohols). In this study, stakeholders were categorized as employee, customer and a local community.

The researcher adopted exploratory factor analysis methodology to extract important factors which attributed to company's social responsibility and social irresponsibility. All manifest variables were correlated and factor models found to be appropriate based on KMO measure of sampling adequacy and Bartlett's measure of sphericity. The KMO values for corporate social responsibility and corporate social irresponsibility were 0.721 and 0.689 respectively. Also a measure of reliability (Cronbach's Alpha) indicated that all variables were internally consistent regarding corporate social responsibility and corporate social irresponsibility. Cronbach's values for corporate social responsibility and corporate social irresponsibility were 0.8643 and 0.8219 respectively.

Two sets of exploratory factor analysis were applied and only factors which met Eigen-value of greater than one criterion were extracted. Varimax rotation was used to rotate the factor solution so as to easy interpretation of the final solution. The process of factor analysis was repeated until a clean final solution which has a simple structure was obtained.

Regarding corporate social responsibility, the final factor solution suggested only two factors namely, Corporate Support and Corporate Geniality, while for the case of corporate social irresponsibility also only two factors were suggested by the final solution namely Corporate Environmental Management and Corporate Safety Management. The reliability measure for each factor indicated significant results thus indicating that all retained variables were internally consistent regarding the factors they belong to. Corporate support and corporate geniality seem to influence company's social responsibility while the company also seems to participate in environmental management and safety management.

Recommendations

From the finding we can see that social responsibility is the fundamental element for any succeeded company in the eyes of the society. Producing socially desirable outcomes must be the central goal of each company. In this study we found that corporate social responsibility is influenced by corporate support and corporate geniality. The company should always create a good image to their employees and to the rest of the society it surrounds. This good image can be created through a good relationship between the company and the employee and/or society. This can be pursued by providing a good treatment to all stakeholders and take into consideration their opinions. The company should also provide assistance to the employees who are in need of support. Also the company will be socially responsible by serving the community through providing roads, hospitals, water etc.

It should always be noted that production is always associated with negative externalities such as pollution. The company should always compensate the society which is affected by pollution. This will tend to increase the social benefit and reduce social cost. Customer and employee discrimination should also be avoided so as to eliminate strata in the company and society. The seminars regarding safety measures should also be provided by the company to all stakeholders so as to create awareness on how the employees and society can protect themselves against unexpected events. Therefore, social responsibility can be considered to be the cornerstone of every company which needs to win the trust of the society. The company should always adhere to ethics and moral standards of the community so as to produce outcomes which are socially desirable.

From the study, researchers believe the community, employees, stakeholders and the government through the knowledge imposed will be very much benefited. And gradually environmental pollution and social irresponsibility activities will disappear and make the world a better place for future generation.

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