The Impact of Corporate Social Responsibility on Community Development: The Case of Selected Universities in Morogoro Region, Tanzania

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Authors' contributions

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

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ABSTRACT

High learning institutions (HLIs) through corporate social responsibility come to realize that establishing a strong rapport with surrounding communities is vital for the growth, success and survival of their institutions. This article delves into Corporate Social Responsibility (CSR) activities of HLIs operating in Tanzania on community development taking Morogoro region the case study. Both primary and secondary data were used. Primary data were collected from 200 respondents through questionnaires, interview and observation while secondary data obtained through documentary review. The study results from multiple linear regression shows that HLIs in Morogoro region engaged in various forms of CSR activities that contribute to community development (CD). Moreover, employment opportunities, health services, business, education and water services were found to be highly statistically significant at 1% ($p < 0.001$) level of significance while infrastructure was insignificant but positively related to community development. Basing on the study findings, researchers recommended that stakeholders' engagement needs to be fully practiced in the course of CSR implementation.

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1. INTRODUCTION

Corporate Social Responsibility (CSR) involves companies and organizations using their resources and money to benefit the communities they work in. It involves working alongside the community to improve conditions for the local people. The practice can take different forms such as the provision of health facilities, building schools, road maintenance, and many other forms. It can also involve companies donating some of their profits to local projects such as building new irrigation systems or helping refurbish local community centres. By providing these resources and funding, the companies can enhance their reputations both locally and across the region, they operate in by helping to gain a loyal customer base, who trust and support the business due to their positive investment in the community [1].

Several studies have been conducted in the Corporate Social Responsibility field area. For example, Celik et al. [1] found that companies were engaged in various forms of CSR activities that contribute to community development. The companies generally focused on education, health, and people empowerment. Asumah [2] in determining the effect of CSR company activities on community development found that the activities influenced the lives of the people in the community. Issifu [3] found that CSR helped to improve the economic self-sufficiency of the host communities relevant for peace and development. Amoako [4], also reported CSR activities of companies to play a major part in community development. A study by Ansah [5] in Ghana also found that CSR of companies focused on programs on education and on community development. Dima & Ramez, [6] also found that there was a lack of a systematic, focus, and institutional approach to CSR and low understanding and practice of CSR. About the impact of CSR on socio-economic development, Sharafat [7] found that CSR had an impact on education, income, employment, and infrastructure; while Ngowi [8] found CSR practiced by CRDB Bank in Tanzania impacted Education, Health, Entrepreneurship, Environmental conservation, and Special group support projects.

While all studies are vital in explaining CSR, limited information is found to explain the impact of the involvement of higher learning institutions in the provision of CSR services to the communities surrounding them in Tanzania. Hence, this study investigated the impact of corporate social responsibility on community development, a case of higher learning institutions in Morogoro municipality.

The paucity of knowledge on the implementation of corporate social responsibility has been a concern of academicians in Tanzania over the years. According to Mapesa & Matekere [9] and Nandonde [10], the extent to which organizations participate in CSR in Tanzania is not known. Additionally, the paucity of knowledge has been observed due to the nascent stage of CSR in Tanzania.

The benefits of corporate social responsibility have been documented. Some studies, such as, [3, 4] found that CSR helped to improve the economic self-sufficiency of the host communities relevant for peace and development. Other studies observed that CSR practices help to better an organization's reputation that, in turn, provides a firm with economic benefits [11,12, 7] found that CSR had an impact on education, income, employment, and infrastructure; while Ngowi [8] found CSR practiced by CRDB Bank in Tanzania impacted Education, Health, Entrepreneurship, Environmental conservation, and Special group support projects.

Although CSR has been found to target several societal needs, education and health needs are noted as the main target areas. Unfortunately, literature on the impact of CSR, as practiced by higher learning institutions, on the surrounding communities is scarce. The purpose of this descriptive concurrent mixed methods study is to assess the impact of corporate social responsibility on the development of communities surrounding higher learning institutions in Morogoro region.

1.1 The Theoretical and Analytical Framework

The theoretical framework in this study aimed at assisting a researcher in situating and contextualizing formal theory i.e., managerial theory as a guide. The managerial theory emphasizes corporate management in which CSR is approached by the corporation internally [13]. This suggests that everything external to the

corporation is considered for organizational decision-making. Managerial theories stress that the social responsibilities of businesses arise from the amount of social power a corporation has and the corporation is understood as being like a citizen with certain involvement in the community. In this study, a researcher used corporate social performance (CSP) aiming at measuring the contribution the social variable makes to economic performance. Because business depends on society for its growth and sustainability, the managerial theory generates interests in the sense that CSR considers socio-economic variables to measure firms' socio-economic performance, as well as to link social responsibility ideology to business strategy.

2. RESEARCH METHODOLOGY

2.1 Research Design

A descriptive cross-sectional case study design was adopted which allowed the collection of data at one point in time due to resource constraints such as time and money [14]. Also, the study design allowed an in-depth data collection concerning the impact of CSR of HLIs on community socio-economic development. .

2.2 Description of the Study Area

The study on CSR was conducted in Morogoro region which occupies a total of 72,939 square kilometres accounted to 8.2% of the total area of Tanzania mainland. It is located in the eastern part of Tanzania, 196 kilometres (122 miles) west of Dar es Salaam. Demographically, Morogoro region has 2,218,492 people whereby 1,125,190 females and 1,093,302 males [15]. Morogoro Region is bordered to the north by the Tanga Region, to the east by the Pwani and Lindi Regions, to the south by the Ruvuma Region and to the west by the Iringa and Dodoma Regions. Based on the availability of resource (money and time), four higher learning institutions namely Jordan University College, Sokoine University of Agriculture, Mzumbe University, and Morogoro Muslim University, all based in Morogoro were chosen for the study.

2.3 Population of the Study

The population of this study involved all communities around the higher learning institutions and higher learning institutions (HLIs) in Morogoro region namely Jordan University College (JUCo), Mzumbe University (MU), Sokoine University of Agriculture (SUA) and Muslim University of Morogoro (MUM), engaged in the provision of education.

2.4 Sample Size and Sampling Technique

The target population for this study were households in the five wards namely Mazimbu, Magadu, Kichangani, Kihonda and Mzumbe. The major and common characteristic of all these wards is that they surround the higher learning institutions. The study adopted a census and a random sampling technique. Census involved a selection of representatives of top management and Faculty Deans in all institutions (key informants), whereas random sampling technique was used to select 200 households for data collection, and in each community 50 respondents were randomly selected for this study. Moreover, a household head was the unit of analysis. Table 1 presents the sampling distribution for this study.

2.5 Data type and Collection

To capture information to answer the research questions, various methods were used to collect them. Primary data were collected through direct observation, use of pre-prepared checklists, questionnaires, and documentaries. Secondary data were collected from different sources such as the internet, research reports, books, and the library.

2.6 Data Analysis

Collected data were cleaned, coded, and punched in the Statistical Package for Social Science (SPSS 20). Also, multiple linear regression analysis was used to ascertain the impact of corporate social responsibility on community socio-economic development.

3. RESULTS AND DISCUSSION

3.1 Impact of CSR on Community Socio-economic Development

In assessing the impact of Corporate Social Responsibility (CSR) by HLIs in Morogoro region on community development, the study intensively determined to what extent HLIs have contributed to education, employment opportunities, business, health services and water services in the surrounding communities i.e., the study sought to know the impact of contributions done by the HLIs through CSR to the community of Morogoro region to better their socio-economic development.

Table 1. Sampling distribution

Higher Learning Institutions				
Category	Population	Sample	Percentage	Techniques
Top management DVCS)				
JUCO	1	1	100%	Census
SUA	1	1	100%	Census
Muslim	1	1	100%	Census
Mzumbe	1	1	100%	Census
Total	**4**	**4**		
Deans of Faculties				
JUCO	3	3	100%	Census
SUA	5	5	100%	Census
Muslim	5	5	100%	Census
Mzumbe	5	5	100%	Census
Total	**18**	**18**		
COMMUNITIES				
Mazimbu		50		Random sampling
Magadu		50		Random sampling
Bigwa		50		Random sampling
Kihonda		50		Random sampling
Total		**200**		

Source: Researchers, 2022

3.2 Multiple Linear Regression Model

Multiple Linear Regression refers to a statistical technique that is used to predict the outcome of a variable based on the value of two or more variables (X_i). It is sometimes known simply as multiple regression, and it is an extension of linear regression. Multiple regression in this study is a regression where the dependent variable (community development) shows a linear relationship with independent variables namely employment opportunities, health services, business, education, infrastructures and water facilities.

The study employed multiple linear regressions (MLR) because it is used to determine a mathematical relationship among a number of random variables. In other terms, MLR examines how multiple explanatory variables (i.e., employment opportunities, health services, business, education, infrastructures and water facilities) are related to one dependent variable (i.e., community development).

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_n X_n + \cdots + \mu$$
………………………… (1)

Where Y = Dependent variable (Community Development)

β = Coefficients to be estimated
X_i = Independent variables (i=1, 2, 3…5)
X_1 = Employment opportunities (EMPL)
X_2 = Health services (Health)
X_3 = Business (BUS)
X_4 = Education (EDU)

X_5 = Infrastructures (INFR)
X_6 = Water facilities (Water)
μ = Error term

After including specific independent variables, equation (1) was modified to equation (2)

$$Y = \beta_0 + \beta_1 EMPL + \beta_2 Health + \beta_3 BUS + \beta_4 EDU + \beta_5 INFR + \beta_6 Water + \mu \ldots\ldots \quad (2)$$

The regression model was used to determine the extent to which the predictors (i.e., employment opportunities, health services, business, education, infrastructures and water facilities) can explain the dependent variable i.e., community development.

The coefficient of determination (R^2) is a statistical metric that is used to measure how much of the variation in outcome can be explained by the variation in the independent variables. R^2 always increases as more predictors are added to the MLR model even though the predictors may not be related to the outcome variable. The study results revealed that the predictors i.e., employment opportunities, health services, business, education, infrastructures and water facilities) have a potential to explain up to 59.8% of the community development (Adjusted R Square = 0.598).

Analysis of variance (ANOVA) results provide information about variability within a regression model that used as a basis of testing the significance of the model. Table 2 presents the study results.

Since the ANOVA test allows a comparison of more than two groups at the same time to determine whether a relationship exists between them. In this study, the result of the ANOVA formula, the F statistic which also known as the F-ratio, allows for the analysis of multiple groups of data to determine the variability between samples and within samples. Basing on the study result F-statistic is 50.391 which is highly statistically significant at 1% ($p = 0.000$) level of significance implying that the model was relevant and all the variables i.e., employment opportunities, health services, business, education, infrastructures and water facilities which were included in the model were jointly different from zero (0).

The study results indicated that community socio-economic development is highly influenced by a number of factors i.e., employment opportunities, health services, business, education, infrastructures and water facilities. Table 3 presents the estimated study results from linear regression analysis through SPSS 20.

The multiple linear equations results were as follows;

$$Y = -0.583 + 0.092X_1 + 0.097X_2 + 0.428X_3 + 0.552X_4 + 0.062X_5 + 0.320X_6 \quad \ldots \quad (3)$$
$$se \quad (0.161) \quad (0.026) \quad (0.027) \quad (0.048) \quad (0.146) \quad (0.043) \quad (0.053)$$
$$t \quad (-3.619) \quad (3.507) \quad (3.564) \quad (8.975) \quad (3.788) \quad (1.455) \quad (6.054)$$

CSR in Employment Opportunities: The study findings revealed that community development through creation of employment opportunities by HLIs was highly statistically significant at 1% ($p = 0.001$) level of significance. The study result implies that HLIs in Morogoro region specifically Jordan University College (JUCo), Mzumbe University (MU), Sokoine University of Agriculture (SUA) and Muslim University of Morogoro (MUM) creates both direct and indirect employment to the community. Direct employment simply means a full-time positions created by HLIs such as teaching staffs, administrators, security officers, cleaners' company while indirect employments are created by other businesses that come into existence due to the presence of HLIs for example stationeries, salon etc. Moreover, local and international policies on corporate social responsibility have tried to give guidelines to large investments to consider employment to surrounding communities and have an upper arm in solving the problems of the society around [16]. Therefore, through employment opportunities i.e., both direct and indirect jobs, HLIs play a great role in community socio-economic development. Hence, a unit increase in HLIs results into a 0.092 units increase in corporate social responsibilities in community socio-economic development through employment opportunities holding other factors constant.

Chart 1. Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.781[a]	0.610	0.598	0.177

a. Predictors: *(Constant), Water, Employment Opportunities, Education, Business, Infrastructures, Health Services*

Table 2. ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9.494	6	1.582	50.391	0.000[b]
	Residual	6.061	193	0.031		
	Total	15.555	199			

a. Dependent Variable: *Community Development*

b. Predictors: *(Constant), Water, Employment Opportunities, Education, Business, Infrastructures, Health Services*

Table 3. Multiple linear regression results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-0.583	0.161***		-3.619	0.000
Employment Opportunities	0.092	0.026***	0.165	3.507	0.001
Health Services	0.097	0.027***	0.203	3.564	0.000
Business	0.428	0.048***	0.447	8.975	0.000
Education	0.552	0.146***	0.197	3.788	0.000
Infrastructures	0.062	0.043	0.074	1.455	0.147
Water	0.320	0.053***	0.293	6.054	0.000
Number of Observation = 200					
Note: *** Significance at 1%					
F=50.391 at P<0.000					
R square = 0.610, Adjusted R square = 0.598					
Dependent Variable: Community Development					

Source: Field Study, 2022

CSR in Health Services: The study sought to know if HLIs in Morogoro region engaged in community healthcare programs as part of their CSR to the surrounding communities. It was found to be positive and highly statistically significant at 1% ($p = 0.000$) level of significance, indicating that HLIs i.e., JUCo, MU, SUA and MUM engaged in the the provision of health facilities to the community as part of CSR. Moreover, JUCo, MUM and SUA have universitys' and/or college hospital where people around HLIs are being treated. Despite the fact that MUM has no hospital but it involves in provision of community health education to community around the university. Hence, the study result shows that the contributions by the HLIs in Morogoro region to prospective recipients is an implication that there is CSR extended to the communities through healthcare assistance.

CSR in Environmental Friendly Business: The study findings revealed that CSR through environmental friendly business by HLIs was highly statistically significant at 1% ($p = 0.000$) level of significance. The study result indicates that HLIs in Morogoro region creates enabling environment for individuals and companies to conduct a business around the institutions due to presences of a large number of people i.e., students, workers and visitors. Indeed HLIs in Morogoro region are socially and economically supportive to the community. The presence of students in the universities and colleges, enables individuals and companies to conduct the business and provide other necessary services i.e., food restaurants, stationeries, bakery, shops, salon, banking services, mobile money, min- and super-markets.

CSR in Education: The study sought to know the CSR of HLIs in Morogoro region through the provision of education due to the fact that in this era of globalization and the world of science and technology, education is very crucial in building and strengthening of a nation. HLIs i.e., JUCo, MU, SUA and MUM have therefore come to realize that they need to share in the vision of nations building through corporate social responsibility [12]. The study findings revealed that community development through education offered by HLIs in Morogoro region was highly statistically significant at 1% ($p = 0.000$) level of significance. The study result implies that the HLIs understand the need for stronger community ties as far as exchanging information and skills for the country as well as to understand that without education it is difficult to progress economically. As part of CSR, HLIs are conducting outreach education programs in the surrounding community to be specific Jordan University College (JUCo) is supporting secondary schools with educational facilities like books and computer while at Mzumbe University (MU) the school has been built. Therefore, a unit increase in HLIs results into 0.552 units increase in provision of education to the society holding other factors constant. The study result is in line with the findings of Igogo (2020) who found that education positively impact the society and strengthen the relationships with all stakeholders. Furthermore, the CSR done in form of education provided by the HLIs is an instrumental in promoting education and a number of initiatives of institutions in creating good human capital.

CSR in Infrastructures Improvement: Although the study found that infrastructure was statistically insignificant with p-value 0.147 but it

was positive related to the community socio-economic development, indicating that a unit increase in HLIs results into 0.062 units increase holding other factors constant. Moreover, in making of contributions to the social capital and physical infrastructure i.e., roads can be seen increasingly as a necessary portion of the institutions operations. In ensuring the safety of the students and workers in HLIs in Morogoro region, CSR programs effectively contributes to social development through road infrastructures. The study result is consistent with the findings of Asumah [2] who found that results of multivariate regression analysis showed that CSR has an influence on community development. Therefore, basing on the study findings, it was concluded that the community socio-development practice around HLIs in Morogoro region are considered a specialized form of addressing, coordinating and building the social infrastructure i.e., roads to the community surrounding [17].

CSR in provision water services: The study sought to establish whether CSR of HLIs in Morogoro region benefits the surrounding community to get access to clean and safe water through either connecting piped water or by drilling deep wells. The study found that the provision of water service was highly statistically significant at 1% ($p = 0.000$) level of significance indicating that the good and clean drinking water to the community were the most commonly practices CSR activities by HLIs in Morogoro region. Both universities i.e., JUCo, MU, SUA and MUM have well installed water infrastructures in the institutions whereby communities get water from it. The study result is in line with the findings of Asumah [2] who found that the major CSR activities mostly practiced by AGA includes provision of good drinking water to the community. Asumah further revealed that about 87% of the community socio-economic development in the communities was satisfactory with the mean (M) of 4.00 and standard deviation (SD) of 0.857).

Also, during interview one respondent from Jordan University College (JUCo) said;

> *…as university we own a water facility that allows also communities around to be served. Moreover, JUCo assists in building water facilities for the surrounding communities* (Dean of Faculty, 2022).

4. CONCLUSION AND RECOMMENDATIONS

The study concluded that; CSR has contributed social and economically to the communities in Morogoro region. The impacts of CSR were seen since the standards of living of the community were good hence there were CSR activities towards the social welfare of the communities. On the business, health and environmental sustainability, however, the HLIs besides their role in providing education to communities but also deals with other factors of environmental safety most especially through extending CSR to the communities and creating environment friendly business for the communities surrounding to engage in petty trade as discussed intensively in chapter for with regards to the kind of business conducted around the universities and colleges in Morogoro region. Therefore, CSR has contributed to community development of the communities of Morogoro region in Tanzania.

Based on the study findings the study recommended that HLIs should interact with community authorities to identify opportunities available to them to better the lives of the people through the provision of social facilities. This will go a long way to improve the general living standards of the people.

AREA FOR FURTHER STUDIES

Based on the research findings, further research is needed in the area of;

i) The role of corporate social responsibility in sustainable community development.
ii) Investigate how corporate social responsibility influences community reputation in the HLIs.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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