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The Nexus between Corporate social responsibility (CSR) dimensions and Sustainable corporate performance (SCP) in the Service-based Enterprises Sector: Zimbabwean managerial insights

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Abstract

This study examines the managerial perceptual influence of economic, ethical, environmental and philanthropic responsibilities on sustainable corporate performance (SCP) in Zimbabwean service companies. It aims to understand how these dimensions of corporate social responsibility (CSR) contribute to the overall social performance of service firms in Zimbabwe from managers' perspective, thereby addressing a gap in the existing literature. Despite the current literature on the positive relationship between CSR and SCP, there is a lack of research on the motivations, challenges and strategies used by the Zimbabwean service sector to engage in CSR activities. The study aims to provide a local perspective by examining the impact of different dimensions of economic, ethical, environmental and community responsibility on SCP. The researchers collected data from 650 senior managers, the unit of analysis, in organisations selected from six sub-strata of the service sector in the Harare region. The measurement items of the online questionnaire related to a mix of stakeholders, legitimacy, and triple bottom line theories that guided the data collection process. The empirical findings highlight the importance of environmental and philanthropic considerations in promoting long-term competitiveness. Companies can use the results to manage their corporate social responsibility activities effectively and tailor their social engagement strategies to local environments and specific company situations. This study adds to the current literature on corporate social responsibility and sustainable corporate performance and provides valuable insights for companies in the service sector in Zimbabwe.

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Introduction

Companies have increasingly embraced corporate social responsibility (CSR) strategies and frameworks due to their recognition of the significance of environmental, social, and governance (ESG) factors. The observed trend can be attributed to several factors, including the imperative to enhance sustainability performance, fulfil the expectations of investors and communities, and address risks such as shareholder activism and divestment. Various frameworks have been utilised to document the impact of ESG factors accurately. The ESG emphasises the increasing importance of CSR considerations in business (Homer & Gill,

2022; Kolli & Srikanth, 2022; Cowton *et al.*, 2019; Porter *et al.*, 2019; Elkington & van Dijk, 2017; Carroll, 1991).

CSR initiatives allow companies to contribute to the development and well-being of the communities in which they operate. By allocating resources towards social and environmental projects, these initiatives aim to address societal concerns and enhance the quality of life for individuals. This perspective positively impacts communities and can improve businesses' reputation and brand image. Furthermore, CSR initiatives improve stakeholder engagement and satisfaction by enhancing consumers' opinions of a brand's reputation, trust and loyalty. Consequently, it can increase customer loyalty and positive word-of-mouth recommendations (Allui & Pinto, 2022; Randrianasolo & Semenov, 2022; Hossain *et al.*, 2019; Makanyeza *et al.*, 2018). CSR can give companies a competitive advantage by appealing to clients, investors, and skilled workers who perceive them as more ethical and accountable (Wickert, 2021; Ajina *et al.*, 2019; Park & Kim, 2018). This interaction can cultivate favourable relationships, establish shared values and goals, and contribute to national development initiatives and the development of social capital (Al-Abdallah & Ahmed, 2018).

However, arguments exist opposing CSR, particularly in the context of under-capitalised and smaller businesses. Implementing CSR initiatives can burden these entities financially, diverting resources from other critical business operations such as expansion or research and development. According to recent research conducted by Nashchekina *et al.* (2023) and Respati and Oktaviani (2022), there is evidence to suggest that CSR may not directly impact profitability. Furthermore, these studies indicate that CSR does not guarantee an increase in sales or financial success.

Furthermore, the increased focus on CSR has resulted in a heightened global expectation for businesses to participate in responsible management practices. The pressure above can generate burdens and expectations that challenge balancing social and economic objectives. Various perspectives exist regarding CSR, wherein specific customers contend it is an obligatory obligation applicable to all businesses. On the other hand, some individuals perceive it as a voluntary expression of benevolence. Conflicting perspectives can create challenges in the implementation of CSR initiatives and in aligning with societal norms, values, and expectations (Agyei *et al.*, 2022; Kaplan & McMillan, 2020; Eveland *et al.*, 2018; Russo, 2016; Porter & Kramer, 2011).

The Case for the Service Sector in Zimbabwe

Zimbabwe's current economic predicament emphasises the importance of researching the service industry and how it might spur economic diversification and growth. The nation's trade patterns have been impacted, and the development of other sectors has been impeded by the overreliance on a small number of commodity exports, namely minerals and metals (Hawkins, 2023; Shabani *et al.*, 2023).

The combined contribution of mining and agriculture to Zimbabwe's GDP increased dramatically from 16.8% in 2009 to 27% in the current year. The distribution sector has grown modestly at 19%, while the manufacturing sector's contribution has remained stagnant at 10.6% (ZimStats, 2023; Hawkins, 2023; Shabani *et al.*, 2023; Giri & Thakkar, 2023). Hawkins (2023) and Giri and Thakkar (2023) present that these data show a structural stasis, if not regression, in the nation's economic landscape, raising worries about

deindustrialisation and a lack of diversification.

In this setting, researching the service industry becomes essential for some reasons.

First, the country's excessive reliance on commodities exports may be lessened, and the service sector may enhance economic diversification. Policymakers can drive economic growth and reduce the vulnerability associated with an overreliance on primary commodities by exploring opportunities to expand service-based industries, such as finance, tourism, telecommunications, and professional services, by having a thorough understanding of the dynamics of the service sector (Shabani *et al.*, 2023).

Second, the service industry can accelerate the creation of jobs and employment possibilities. The service sector can absorb the labour force due to the fall in manufacturing production and lessen the negative socio-economic repercussions of deindustrialisation (Hawkins, 2023; Giri & Thakkar, 2023). By examining the service industry, researchers can find tactics and laws that support expanding employment opportunities and acquiring new skills, which eventually helps to lower poverty and enhance living standards.

Sustainable development also requires an awareness of the connection between CSR and SCP in the service industry. Businesses in the service sector can be crucial in putting ethical and sustainable practices into practice as Zimbabwe strives to solve social and environmental issues. Important insights to help firms and policymakers enhance sustainable practices and achieve long-term economic, social, and environmental goals can be achieved by examining the managerial insights of CSR practises of the service sector and their impact on SCP (Hawkins, 2023; Andriyani & Rochayatun, 2023).

Furthermore, studying CSR in the context of Zimbabwe offers additional insight into how companies, particularly those in the service industry, interact with social and environmental issues. According to studies, CSR programmes are implemented in some sectors in Zimbabwe, such as the mining towns (Muruviwa *et al.*, 2020), small and medium-sized businesses (Manuere & Majoni, 2016), and the university sector (Nhavira, 2019). Through the integration of these findings, scholars can gain a complete understanding of the service sector's capacity to promote sustainable development and beneficial social effects.

Furthermore, learning from research in nearby nations, like South Africa, can offer insightful viewpoints. The significance of small, micro, and medium-sized companies (SMMEs) to socio-economic development in South Africa has been underlined by research (Makwara, 2019). The role of service sector enterprises in Zimbabwe and their obligations to stakeholders can also be clarified by looking into CSR involvement by Zimbabwean SMEs (Chanakira, 2019) and stakeholder reciprocity in a mining town in Zimbabwe (Muruviwa *et al.*, 2020).

Thus, it makes sense to research Zimbabwe's service industry, given the nation's overreliance on commodity exports, the stagnation of other sectors, and the industry's potential to promote job creation, economic diversification, and sustainable growth. This study's concentration on the service industry allows it to offer insightful analysis and recommendations that support the nation's long-term sustainability, economic development, and diversity.

CSR Zimbabwe's context

Numerous studies have investigated the impact of CSR practices in Zimbabwe. In their analysis, Makwara (2019) examined the CSR practices related to employee HIV and AIDS in SMMEs in Zimbabwe and South Africa. It was determined that these businesses' CSR practices were deficient. The study conducted by Manuere and Majoni (2016) examined the topic of CSR within SMEs in Zimbabwe. The study's findings revealed a notable absence of awareness and understanding of CSR among SMEs, emphasising a significant knowledge and implementation gap. In a survey conducted by Chanakira (2019), the author investigated the involvement of CSR in SMEs in Zimbabwe. The study aimed to analyse the factors influencing CSR participation and the obstacles faced and strategies employed in CSR initiatives.

In their study, Mathende and Nhapi (2017) examined the CSR practices within Zimbabwe's extractive industry. Their findings revealed a lack of effective implementation of CSR, specifically concerning environmental sustainability and community engagement. In their study, Muruviwa *et al.* (2020) examined the concept of stakeholder reciprocity and CSR obligations within a mining town in Zimbabwe. In their research, Isheloke and Mugova (2019) conducted a comparative analysis of CSR practices in the Democratic Republic of the Congo, Zimbabwe, and South Africa. Their findings emphasised the importance of achieving regional harmonisation and standardisation of CSR methodologies.

However, the adoption of CSR strategies and frameworks has increased due to companies acknowledging the significance of ESG factors. CSR initiatives have the potential to yield various advantages, including enhanced community support, improved reputation, and a competitive edge. Nevertheless, smaller businesses may encounter challenges and potential drawbacks regarding financial burden and the obligation to fulfil societal expectations (Makwara, 2019; Chanakira, 2019; Manuere & Majoni, 2016). Achieving a balance between social, environmental, and economic objectives and managing divergent viewpoints on the nature of CSR can present significant challenges. The importance of considering CSR business is increasing. However, it is crucial to adopt a balanced approach to effectively tackle the advantages and difficulties of implementing CSR.

The literature review reveals a gap in the existing research, specifically regarding the relationship between CSR initiatives and SCP within Zimbabwe's service-based enterprises industry. Although the advantages of CSR are acknowledged, it is necessary to conduct additional research to examine the correlation between CSR's four dimensions and SCP within this particular localised setting. This research aims to fill the existing gap in knowledge by examining the correlation between various dimensions of CSR, including economic, ethical, environmental, and philanthropic responsibilities, and their influence on SCP within the service-based firm sector in Zimbabwe. The study aims to investigate the relationship by posing four research questions from a managerial lens. Therefore, the research questions are as follows:

- **Research Question 1.** Is there a relationship between the economic responsibility dimension of CSR Zimbabwe's service-based enterprises industry and corporate sustainability performance?
- **Research Question 2.** Is there a relationship between the ethical responsibility dimension of CSR in Zimbabwe's

service-based enterprises industry and corporate sustainability performance?

- **Research Question 3.** Is there a relationship between the environmental responsibility dimension of CSR Zimbabwe's service-based enterprises industry and corporate sustainability performance?
- **Research Question 4.** Is there a relationship between the philanthropic responsibility dimension of CSR in Zimbabwe's service-based enterprises industry and corporate sustainability performance?

The research is significant because it helps us understand the growing importance of considering CSR in the business world. It also highlights the need for a balanced approach to effectively address the benefits and challenges of implementing CSR. The research findings have the potential to offer valuable insights for businesses operating in the service-based enterprises industry in Zimbabwe. Additionally, these findings can contribute to the existing literature on CSR and SCP.

Theoretical background

This literature review investigates the theories of stakeholder, legitimacy, and triple-bottom-line and their respective impacts. These theories are expected to impact CSR and corporate sustainability performance. Scholars have extensively examined and defined the concept of CSR (Asiaei *et al.*, 2023; Asiaei *et al.*, 2021). The triple bottom line is a widely acknowledged concept highlighting the significance of economic value while considering environmental and social impacts (Elkington, 2018). Elkington (2018) asserts that businesses are commonly believed to be responsible for positively contributing to society and the environment. The theories of stakeholder theory and the triple bottom line theory are mutually reinforcing in their ability to enhance the comprehensiveness and holistic nature of CSR and sustainable business practises (Cosma *et al.*, 2022; Aboud & Yang, 2022; Ajina *et al.*, 2019; Fernando & Lawrence, 2014; Avram & Avasilcai, 2014).

The theory of stakeholders emphasises the importance of considering the interests and rights of all stakeholders in the decision-making process. It also promotes transparency, accountability, and ethical behaviour (Uslu & Engün, 2021; Wong & Dhanesh, 2017; Carroll, 1991). Legitimacy theory is a theoretical framework that works in conjunction with stakeholder theory, emphasising the importance for organisations to fulfil social contracts and uphold social legitimacy (Chen McCain *et al.*, 2019; Fernando & Lawrence, 2014; Avram & Avasilcai, 2014). By adhering to ethical standards and meeting community expectations, organisations can enhance their reputation and gain the trust of stakeholders. Organisations' actions are legitimised, and their commitment to responsible business practices is demonstrated through voluntary disclosures (Elkington & van Dijk, 2017; Fernando & Lawrence, 2014).

The triple bottom line theory incorporates economic, social, and environmental factors into implementing business practises (Elkington & van Dijk, 2017; Książka & Fischbach, 2017). Organisations can enhance their understanding of their societal and environmental impact by implementing an integrated reporting approach, which allows them to measure and report their performance across three dimensions (Ajina *et al.*, 2019). This theory advocates for harmonious economic advancement and sustainability,

cultivating enduring prosperity and adaptability.

Elkington and van Dijk (2017) popularised the triple bottom line theory concept, which proposes a comprehensive approach to evaluating business performance. This theory encompasses three dimensions: economic, social, and environmental considerations. The proposition suggests that companies should pursue sustainable outcomes by attaining financial profitability, promoting social well-being, and practising environmental stewardship. CSR initiatives aim to create shared value by simultaneously addressing economic, social, and ecological objectives by incorporating the triple-bottom-line approach.

Integrating stakeholder, legitimacy, and triple-bottom-line theories can result in a more equitable and sustainable approach to CSR. Carroll and Laasch (2020) and Elkington and van Dijk (2017) concur that organisations can attain a state of equilibrium wherein they effectively pursue both financial objectives and their dedication to addressing social and environmental concerns. Organisations can contribute to societal well-being and ensure long-term success by taking into account stakeholder interests and rights, fulfilling social contracts, and balancing economic, social, and environmental factors (Elkington & van Dijk, 2017; Freeman & Dmytriiev, 2017; Fernando & Lawrence, 2014). However, the absence of CSR may lead to negative consequences such as adverse media coverage, ethical dilemmas, and financial penalties (Boma-Siaminabo, 2022). These outcomes can harm a company's reputation, financial position, and overall worth.

By integrating these theories, companies can effectively navigate the intricate landscape of CSR, ESG, and SCP. This integration enables companies to enhance their social and environmental impact while promoting sustainable business practices. The integration of stakeholder theory, legitimacy theory, and the triple bottom line theory offers a robust theoretical framework for comprehending and executing CSR and SCP initiatives. This framework allows companies to adeptly address stakeholder expectations, uphold their legitimacy, and make meaningful contributions to sustainable development (Elkington & van Dijk, 2017).

In summary, stakeholder, legitimacy, and triple-bottom-line theories provide valuable insights into the various dimensions of CSR, ESG practices, and SCP. The stakeholder theory places significant emphasis on the need to address the needs of stakeholders. On the other hand, legitimacy theory highlights CSR's role in preserving an organisation's legitimacy. The triple bottom line theory promotes the idea of evaluating economic, social, and environmental performance in a balanced manner. These theories provide a solid basis for companies to effectively manage CSR and SCP's intricacies, promoting sustainable development and societal welfare.

Hence, the existing research provides evidence to incorporate stakeholder, legitimacy, and triple-bottom-line theories to attain a comprehensive and all-encompassing approach towards CSR and sustainable business practices. Organisations have the potential to enhance societal well-being and achieve sustainable success by taking into account the interests and rights of stakeholders, fulfilling social contracts, and striking a balance between economic, social, and environmental considerations. Organisations must embrace and implement principles and rules related to ESG practices (Asiaei *et al.*, 2023; Uslu & Engün, 2021; Boffo & Patalano, 2020; Elkington, 2018; Carroll, 1991). The conceptual focus of this work is established through the

utilisation of theoretical foundations and a combination of diverse theories.

Dimensions of CSR and their Contributions to SCP

CSR is the proactive and strategic management approach entities adopt to meet society's economic, legal, ethical, and discretionary expectations at a given time (Carroll, 2021). It is a process through which companies integrate sustainable development principles into their business operations, ensuring ethical and responsible treatment of all stakeholders (Hopkins, 2022). The SCP framework goes beyond the conventional CSR understanding. Carroll (1991) and Dimitriou (2020) contend that CSR focuses on the responsibilities and accountability of companies towards society, while SCP evaluates the outcomes and accomplishments of CSR efforts. Customer satisfaction, trust, reputation, and loyalty are some dimensions encompassed by the concept of SCP. The propensity of consumers to regularly select and back a specific brand or business over its rivals is known as customer loyalty. Numerous research studies have examined the connection between a company's social media presence and customer retention. Evidence has been found by Le (2022), Devie *et al.* (2020), and Islam *et al.* (2021) to support the idea that this kind of involvement improves client retention. Customer reputation is how a company's or brand's customers view and assess it. Ensuring clear and precise information regarding our warranty obligations is displayed on product labels is paramount. The efficacy of this strategy has been verified by numerous investigations, as evidenced by the findings of Le (2022), Islam *et al.* (2021), and Devie *et al.* (2020). The management strategy of a company places a high priority on the rights of consumers, resulting in a favourable perception. This opinion is supported by some scholars (Le, 2022; Islam *et al.*, 2021; Devie *et al.*, 2020; Fombrun *et al.*, 2000).

The rationale behind SCP underscores the importance of upholding equilibrium among social, economic, and environmental factors in corporate activities. According to recent studies, consumer attitudes and brand perceptions regarding sustainable businesses are positively impacted by CSR (Agyei *et al.*, 2022; Allui & Pinto, 2022; Le, 2022). Interacting with stakeholders and fulfilling their expectations is essential. According to Ajina *et al.* (2019), implementing customer loyalty-driven CSR and societal initiatives can effectively promote community investment. Carroll and Laasch (2020) and Laasch and Conaway (2016) assert that the success of these initiatives depends critically on a company's capacity to recognise and capitalise on value-added innovations.

Several researchers (Mataruka *et al.*, 2023; Asri, 2021; Soebroto & Budiyo, 2021; Ambrosini & Altintas, 2019) assert that achieving sustainable competitive advantage is necessary to guarantee long-term success in the business world. For SCP, shareholders, customers and other key stakeholders must be emotionally connected. This bonding can be accomplished by addressing stakeholder concerns and utilising creative strategies (Agyei *et al.*, 2022; Wickert, 2021; Russo, 2016). Thus, Numerous factors, such as social, economic, and environmental concerns, impact business operations (Dimitriou, 2020; Carroll, 1991). The idea that social interaction improves brand perceptions and client retention has been supported by some studies (Le, 2022; Islam *et al.*, 2021; Devie *et al.*, 2020). Involving stakeholders, meeting their expectations, and gaining a sustained

competitive advantage through innovation and stakeholder satisfaction are all critical components of SCP (Mataruka *et al.*, 2023; Asri, 2021; Soebroto & Budiyo, 2021; Ajina, 2019; Ambrosini & Altintas, 2019; Wickert, 2021; Russo, 2016).

Hypotheses development

Corporate social responsibility and sustainable corporate performance

The existing literature and research indicate a lack of agreement on the relationship between CSR and SCP, as evidenced in the systematic review by Mostepaniuk *et al.* (2022). Mostepaniuk *et al.* (2022) examine the relationship between CSR and sustainability, highlighting the importance of managing this relationship effectively. Research suggests CSR initiatives can yield favourable business outcomes (Kong *et al.*, 2020). These include enhanced customer loyalty, improved financial stability, increased corporate legitimacy, and enhanced stakeholder value. Scholars Zhang and Yi (2022) and Carroll and Shabana (2010) assert that CSR can improve a company's reputation, attract customers, and create value for stakeholders. Others suggest that CSR can enhance business performance by influencing customer loyalty and positive word-of-mouth communication (Islam *et al.*, 2021; Amsami *et al.*, 2020; Chen McCain *et al.*, 2019; Park & Kim, 2018). Loyalty from customers who perceive a company as socially responsible can result in increased customer satisfaction and trust, leading to financial stability, increased profitability, and a competitive advantage over rivals (Islam *et al.*, 2021; Chen McCain *et al.*, 2019; Russo, 2016).

The stakeholder value creation view supports the idea that CSR can positively influence business performance. This theory considers stakeholders' rights, interests, and needs to help the organisation act socially responsibly (Gadonne *et al.*, 2012). By effectively managing relationships with stakeholders, companies can create success and value.

The relationship between CSR and firm performance was uncertain in a meta-analytic review conducted by Kim and Keane (2023) and Wang *et al.* (2016). However, opposing perspectives argue that the connection between CSR and business performance remains uncertain (Kim & Keane, 2023; Wang *et al.*, 2016). Some studies have found no statistically significant correlation between CSR and firm performance. However, other studies argue that dynamic business environments can influence this correlation and the implementation of standardised practices (Carroll, 1991). The existing research primarily examines developed contexts and may not directly apply to developing nations (Kvasničková Stanislavská *et al.*, 2020; Carroll & Shabana, 2010).

Further, some studies have found mixed results regarding the link between CSR and business performance. Some researchers have reported no significant relationship between CSR and firm performance (Reverte *et al.*, 2016; McWilliams & Siegel, 2000). These inconsistencies may be due to the dynamic nature of the business landscape and the varying levels of importance placed on CSR across different contexts (Qu, 2009).

Considering the broader perspective and the long-term benefits of CSR is essential. Prioritising CSR can enhance a company's reputation, customer satisfaction, and trust, ultimately leading to financial stability and increased profitability. However, the relationship between CSR and

business performance is complex and influenced by customer loyalty, stakeholder value creation, and the specific business environment. Thus, the optimal mix of these elements remains unknown within the domain of social business enterprises.

Further research is needed to understand this relationship better, as well as divergent and contrary revelations from their impact on competitiveness, particularly in different contexts and industries. The proposed hypothesis of the study is that Zimbabwe's service-based industry enterprises adopt a positive relationship between CSR and business performance as a whole entity.

Hence, the sub-hypotheses (H_1 , H_2 , H_3 , and H_4) are the suggestion and the discussion of the four components of CSR and their respective SCP elements in the following section. The following paragraphs review the four types of CSR (economic, ethical, environmental and philanthropic) concerning sustainable corporate performance.

Economic Responsibilities of CSR and Sustainable Corporate Performance (SCP)

Economic Corporate Responsibility (ECR) is one of the four types of CSR businesses can use to give back to the community. It serves as the rationale for the business case, as it comprises a company's efforts to achieve its profit objectives (Kaplan & McMillan, 2020). ECR initiatives can align with various CSR commitments. These include investing in local communities, creating job opportunities, supporting local businesses, implementing production initiatives to reduce carbon footprint, and conserving natural resources (Zhong *et al.*, 2022; Randrianasolo & Semenov, 2022; Carroll & Shabana, 2010).

ECR can be beneficial for both financial stability and customer loyalty as businesses use investment decisions to pursue their financial objectives (Le, 2022; Islam *et al.*, 2021; Wickert, 2021; Devie *et al.*, 2020; Carroll & Shabana, 2010). To lower risks and escape responsibility for unfavourable outcomes, managers deliberately participate in CSR (McCarthy *et al.*, 2017). Honest, open, and moral customer communication is a component of responsible marketing strategies. Businesses that provide services can steer clear of deceptive advertising, protect the privacy of their clients, and match their marketing strategies with societal norms (Florini & Saleem, 2011). Research has underscored the significance of conscientious marketing in fostering customer confidence, allegiance, and brand image (Maignan & Ferrell, 2004; Sen & Bhattacharya, 2001).

Hence, the following hypothesis states:

H_1 . Zimbabwe's service-based industry enterprises adopt a positive relationship between the economic responsibilities of CSR and SCP.

Ethical Responsibilities of CSR and Sustainable Corporate Performance

Ethical responsibility (ETR) refers to a business organisation's commitment to conducting its operations in a principled manner, adhering to accepted practices and human rights guidelines (Uslu & engün, 2021; Wong & Dhanesh, 2017). It involves fair treatment of all stakeholders and upholding ethical concepts and values within a specific industry or context (Abdelmoety *et al.*, 2022; Al-Abdallah & Ahmed, 2018).

There is a growing demand among customers for environmentally friendly products. Society expects

corporations to contribute to their communities, and the government expects them to avoid environmental degradation and illegal practices (Aboud & Yang, 2022; Wickert, 2021; Martinez & Rodriguez del Bosque, 2013). The literature suggests that corporate legitimacy and stakeholder value creation are the primary focus areas for organisations considering the adoption of CSR. This study examines the inclusion of social issues such as human rights and fair labour practises within the concept of ETR. Discrimination is absent, and all employees enjoy equal opportunities. Asiaei *et al.* (2023) and Islam *et al.* (2021) have researched human resource policies that promote the balance between employees' work and personal lives. These policies may prevent illegal commercial practices (ICP) by encouraging employees to follow best practices.

Therefore, the following hypothesis states:

H₂. Zimbabwe's service-based industry enterprises adopt a positive relationship between the ethical responsibilities of CSR and SCP as a whole entity.

Environmental Responsibilities of CSR and Sustainable Corporate Performance

The literature indicates that businesses must adopt environmental responsibility (ENR) to gain green legitimacy and fulfil regulatory stakeholder demands (Baah *et al.*, 2021; Lee & Raschke, 2021). Environmental responsibilities (ENR) management focuses on maintaining a sustainable and eco-friendly environment by adopting practices that minimise pollution and promote the sustainable use of natural resources (Abbas & Dogan, 2022; Cosma *et al.*, 2022). This approach is in line with the environmental stewardship promoted by environmentalists (Abbas & Dogan, 2022; Lee & Raschke, 2021).

Service-based enterprises can implement initiatives to reduce their environmental impact. This can include investing in energy-efficient technologies, reducing waste and emissions, adopting renewable energy sources, and promoting eco-friendly practices among customers (Lu *et al.*, 2023; Ren *et al.*, 2022). Other studies have also found a positive relationship between environmental sustainability practices and firm performance (Sharma & Henriques, 2020; Klassen & Whybark, 1999).

Therefore, the hypothesis presented is as follows:

H₃. Zimbabwe's service-based industry enterprises adopt a positive relationship between the environmental responsibilities of CSR and SCP.

Philanthropic Responsibilities of CSR and Sustainable Corporate Performance

Philanthropic responsibility (PHR) is an essential aspect of

CSR that involves business organisations trying to improve the welfare of the community and society (Amsami *et al.*, 2020). This involvement typically includes providing financial assistance to charitable or nonprofit organisations, either directly or through the establishment of charity organisations (Allui & Pinto, 2022).

Philanthropy is a crucial CSR dimension for service-based enterprises. Philanthropic initiatives involve donating financial resources, goods, or services to charitable causes and organisations. Service-based enterprises can engage in philanthropy by supporting nonprofit organisations, community projects, and social causes through monetary donations, in-kind contributions, or volunteer efforts (Carroll & Shabana, 2010; Porter & Kramer, 2002). Philanthropic activities can address social issues such as poverty alleviation, education, healthcare, or disaster relief and positively impact their communities (Besser *et al.*, 2022; Ahmad *et al.*, 2021).

Based on logical reasoning, including charitable activities as part of a company's core business strategy can yield favourable outcomes. This inclusion demonstrates the company's dedication to promoting social well-being and positively impacting society. This aligns with the social identity theory, a theoretical framework that posits that a company's actions contribute to forming its identity (Arco-Castro *et al.*, 2020; Brammer *et al.*, 2015; Brammer *et al.*, 2007).

Integrating philanthropy into a company's corporate social responsibility (CSR) strategy can foster stronger connections with stakeholders, including employees. Maignan *et al.* (2019) state that philanthropic endeavours have the potential to yield positive outcomes for both society and employees, leading to increased levels of employee satisfaction and engagement.

The firm must ascertain both the monetary and non-monetary implications. Part of this process involves identifying and evaluating the impact on various stakeholders, including establishing shared value as proposed by Porter and Kramer (2011). The existing body of literature suggests that corporate identity could be the primary focal point for adopting philanthropic CSR by business entities for beneficial SCP.

Therefore, the subsequent hypothesis is as follows:

H₄. Zimbabwe's service-based industry enterprises adopt a positive relationship between CSR philanthropic responsibilities and SCP.

Figure 1 below depicts the conceptual framework illustrating the relationship between CSR and SCP. SCP comprises customer loyalty indicators such as customer reputation (CR), customer satisfaction (CS), and customer trust (CT) factors (Le, 2022; Islam *et al.*, 2021; Devie *et al.*, 2020).

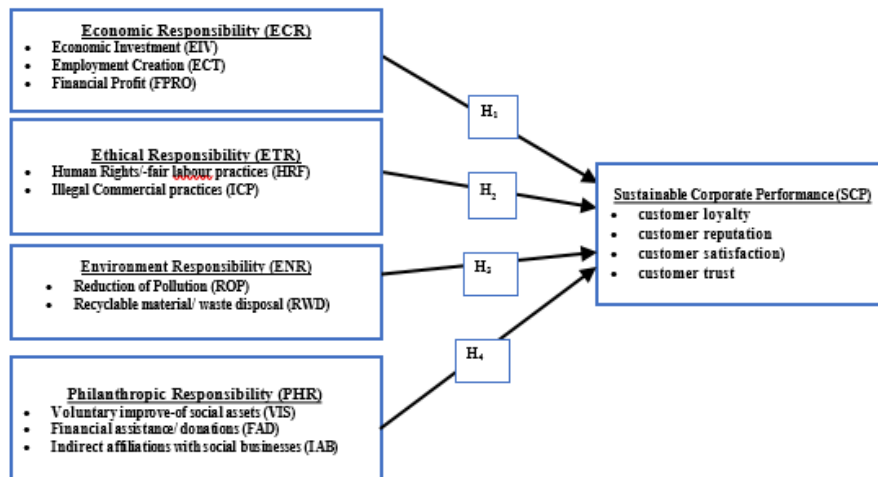


Fig 1: Research test model

Research materials and methods

Research design

Quantitative methods, specifically surveys, are preferred by strategic management researchers (Graebner *et al.*, 2023; Lee & Mangalaraj, 2022). Surveys are valuable tools for studying social and behavioural phenomena when researchers cannot observe certain behaviours in realistic settings (Drouhot *et al.*, 2023; Leedy & Ormrod, 2015). The researchers used quantitative methods and a cross-sectional design to analyse how service-based business managers in Harare perceive responsible management for sustainable social performance. The researchers estimated the sample size with a 95% confidence level and a 5% error margin (Mataruka, 2022; Mohamed & Saad, 2022). Sarker and AL-Muaalemi (2022) contend that social scientists find these percentages suitable. The research population consisted of managers from qualifying businesses based in Harare.

Sampling technique and data collection

The researchers used probability-based stratified sampling to determine the sample size for the online survey. The sampling frame was the directory on the Harare LinkedIn page as the basis for choosing the study's sample. This directory provides a comprehensive list of businesses operating in the Harare province, which comprises three districts. The selection criterion is twofold. Firstly, the objective is to maximise the statistical efficiency of the sample. Secondly, the aim was to gather sufficient data to examine various subgroups within the population (Sarker & AL-Muaalemi, 2022). Electronic questionnaires were administered to around 1,050 managers in the service-based sector using a pre-established frame. The researchers collected 683 out of 1,050 quantitative survey instruments, resulting in a response rate of 65%, which surpassed both expectations and sample sizes. However, 33 cases were incomplete for various reasons, such as having more than 5% missing data and failing to meet study requirements. The analysis and outcomes of the study rely on 650 responses that were deemed usable completed questionnaires. The effective response rate from the initially administered questionnaire 1,050 is 62%.

The response rate in this study is similar to that of other studies, such as Mataruka's (2022) study, which utilised 983 out of 1,117 respondents. Researchers often use online surveys in contemporary research because they are fast, simple, and cost-effective (Mataruka *et al.*, 2023; Mataruka,

2022; Manfreda *et al.*, 2008). In addition, this method reduces the time required for data collection (Dutot & Bergeron, 2016). Hair and Alamer (2022) have supported the applicability of our findings to a broader population, as evidenced by the response rate of 65%.

This study enables researchers to analyse the impact of senior management's decision-making and attitudes towards responsible management issues on corporate social responsibility's sustainability and balanced performance. Companies based in Harare serve eleven critical industrial sectors in Zimbabwe. Therefore, the overall recognition of a manager's social business orientation in strategic business performance could be present. The sampling frame purposively selected individuals from service-based businesses that had already integrated corporate social operations (Sharma *et al.*, 2020). Within this frame, companies' strata of the services further inferred the systematic random selection. This approach aimed to overcome the limitations of cross-sectional data by focusing on businesses already involved in their communities within strata-specific activities. The study specifically targeted managers of companies who held managerial positions in corporate service affairs, as they were considered critical decision-makers in corporate social responsibility (Yaseen *et al.*, 2022). As such, the unit of analysis was managers from the service-based business. As such, their collective perception informed the study from their cognition.

Accordingly, in this study, the industry's players in Zimbabwe's service-based enterprises were better equipped to supply the required information. All potential participants in the survey were made aware of the study's goals and assured that their responses would remain confidential (Memon *et al.*, 2023). Sarker and AL-Muaalemi, 2022) recommend offering assistance instructions. The researchers informed potential respondents and clarified the purpose of the research through email, popular social media like WhatsApp and LinkedIn, and mobile telephone on rare occasions. The survey package included a cover letter in the questionnaires to clearly state the study's purpose and emphasise the importance of senior managers' participation. The researchers maintained the confidentiality of responses throughout the research process. Respondents had the option to receive a summary of the survey feedback results. Reminder emails and WhatsApp voice calls to ensure a satisfactory response rate during the data collection.

Study Instrument and measurement items

Leedy and Ormrod (2015) contend that questionnaires can efficiently and inexpensively collect crucial data from geographically dispersed groups. The survey gathered data on the perceptions of managers in service-based enterprises. A cross-sectional survey was the primary research approach for this study. This study employs a multifaceted approach to evaluate the nexus between CSR and SCP. The theoretical foundation of this study incorporates various perspectives, such as responsible management theories like the triple-bottom-line (TBL) or integrated reporting, stakeholder (ST), and legitimacy (LT) approaches. The study utilises a comprehensive system to assess the dimensions of CSR and SCP measures. This system integrates customer satisfaction measurements, financial performance, internal processes, and learning and growth, as outlined in the Kaplan and Norton (2015) balanced scorecard framework by Asiaei and Bontis (2019.). These dimensions reflect the Triple Bottom Line (TBL) approach, which comprises profit, people and planet philosophy for the SCP measures. A composite index, incorporating nonfinancial and financial metrics, evaluates

SCP. These measures include shareholder value creation, business legitimacy, and customer loyalty. This investigation is informed by a comprehensive questionnaire with 65 measurement items modified from earlier research (Asiaei *et al.*, 2023; Islam *et al.*, 2021; Reverte *et al.*, 2016).

Due to the difficulty in acquiring reliable CSR data, the questionnaire evaluates the impressions of respondents rather than objective metrics (Woodcock *et al.*, 1994; Bagozzi & Yi, 1988). Authentic perception-based reactions are consistent with measurable outcomes (Ainin *et al.*, 2015). A five-point Likert scale, ranging from "strongly disagree" to "strongly agree," is used to evaluate the questions. Nunnally (1978) stated that a minimum of three items is required to establish reliability for each construct. Asiaei and Jusoh (2017) employed a conventional tool to examine managers' performance. The advantages of value-creation components may vary among industries. The themes of the study's questionnaire are listed in Table 1 below. Table 1 below shows the research constructs, measurement items, descriptions, and sources adapted from them.

Table 1: Constructs, Measurements, Descriptions, and References

Constructs	Measurements	Description	References
Economic responsibility (ECR)	Financial profits (FPRO) 7-items	Comprises a company's efforts to achieve its profit objectives.	Islam <i>et al.</i> , 2021; Kaplan & McMillan, 2020; Brown & Dacin, 1997..
	Employment creation (ECT) 4-items	Refers to the commitment to job creation in the communities.	Asiaei <i>et al.</i> , 2023; Islam <i>et al.</i> , 2021; Kaplan & McMillan, 2020; Brown & Dacin, 1997.
	Economic investment (EIV) 7-items	Refers to concerns about offering our customers high-quality products and services.	Asiaei <i>et al.</i> , 2023; Islam <i>et al.</i> , 2021; Kaplan & McMillan, 2020; Brown & Dacin, 1997.
Ethical responsibility (ETR)	Social issues of human rights/fair labour practices (HRF) 5-items	Equal opportunities exist for all employees without any discrimination.	Asiaei <i>et al.</i> , 2023; Islam <i>et al.</i> , 2021; Brown & Dacin, 1997..
	Illegal commercial practices (ICP) 7-items	Human resource policies aimed at facilitating the conciliation of employees' professional and personal lives.	Asiaei <i>et al.</i> , 2023; Islam <i>et al.</i> , 2021.
Environmental responsibility (ENR)	Reduction of pollution (ROP) 11 items	Standards related to labour risks, health, safety, and hygiene programs are complied with by us.	Asiaei <i>et al.</i> , 2023; Islam <i>et al.</i> , 2021.
	Recyclable materials (RWD) 4-items	Initiatives of reductions in gas emissions and waste production and in favour of recycling materials.	Asiaei <i>et al.</i> , 2023; Islam <i>et al.</i> , 2021.
Philanthropical Responsibility (PHR)	Voluntary improvement of social assets (VIS) 5-items	The company actively engages in social projects for the community, including sponsorships and charities.	Asiaei <i>et al.</i> , 2023; Islam <i>et al.</i> , 2021; Rust <i>et al.</i> , 2002; Zeithaml, 1988.
	Financial assistance donations (FAD) 7-items	Fund initiatives in activities related to protecting and improving our natural environment.	Asiaei <i>et al.</i> , 2023; Islam <i>et al.</i> , 2021.
	Indirect affiliation with social businesses (IAB) 6-items.	Fostering business relationships with suppliers of our same region.	Asiaei <i>et al.</i> , 2023; Islam <i>et al.</i> , 2021.
Sustainable corporate performance (SCP) 7-items	Customer loyalty	Participation by our business in social has improved client retention.	Le, 2022; Islam <i>et al.</i> , 2021; Devie <i>et al.</i> , 2020.
	Customer Reputation	Respect for consumer rights is a management priority for our company.	Le, 2022; Islam <i>et al.</i> , 2021; Devie <i>et al.</i> , 2020; Fombrun <i>et al.</i> , 2000.
	Customer satisfaction/ trust	Clear and precise information regarding warranty obligations appears on the labels of our products.	Le, 2022; Islam <i>et al.</i> , 2021; Devie <i>et al.</i> , 2020..

Several steps were involved in developing the data collection instrument, including designing the survey questionnaire and assessing its validity. Two academic faculty members and three business managers reviewed the questionnaire for face and content validity. The researchers modified and tested successful surveys from previous studies with eight corporate services managers to establish construct validity. The assessment of the instrument's reliability was conducted by employing Cronbach's alpha values. A threshold of 0.7 or higher indicates reliability, as Hair and Alamer (2022) suggested. A pilot test was done with a sample size of 30 participants, using the approach described by Cooper and Schindler (2014). The study was conducted using English, which serves as Zimbabwe's primary medium of instruction. Previous research included control factors, namely gender, income, and education. According to Henri and Journeault (2010), this practice is common in management research. The study incorporated control variables, such as gender, income, and education, derived from prior research. The researchers compared early and late respondents who returned within the first month of the fieldwork and found no significant differences in their answers. Thus, addressing the non-response bias. This step helped ensure that the data collected was representative of the target population. This finding is further supported, therefore enhancing its validity. The data collection process lasted approximately three months, during which the selected participants completed 650 acceptable questionnaires for analysis. Leedy and Ormrod (2015) assert that providing anonymity to respondents reduces interviewer bias.

Data Analysis

The study used cross-sectional data from an online questionnaire that corporate service managers representing companies in Harare completed. The study model diagnosis was employed to determine the dataset's structure using Smart-Partial Least Squares (PLS) Version 4.0 and structural equation modelling (SEM) as the statistical analysis methods. Raykov and Traynor (2016) state that researchers should not analyse statistical data similar to this study's using regression because the technique cannot detect measurement errors and might inflate results. Thus, these researchers considered SEM suitable due to its capability to evaluate correlations between variables. Researchers used covariance matrices in structural equation modelling (SEM) to compare hypotheses with data and to formulate, identify, estimate, assess model fit, modify models, and report results (Mataruka *et al.*, 2023; Mataruka, 2022; Muzurura & Mutambara, 2022).

Fifteen (15) iterations for the model minimisation process of the PLS-SEM data analysis were performed. Researchers employed confirmatory factor analysis (CFA) before testing hypotheses. The CFA determined the variables' structure,

characteristics, convergent, discriminant, and construct validity. Following Elrehail *et al.* (2023) and Hair and Alamer (2022), structural equation modelling (SEM) helped to identify relevant associations in a cross-sectional study that included the mediation of the philanthropic responsibility (PHR) dimension of CSR. Hair and Alamer (2022) determined that structural equation modelling (SEM) helps assess complex models, especially those with mediators or moderators. Mataruka *et al.* (2023), Mataruka (2022), Muzurura and Mutambara (2022), and Elrehail *et al.* (2023) utilised this method in previous studies with acceptable results. The researchers used SmartPLS-SEM to analyse and present the data in this study. They employed statistical techniques to investigate the relationship between CSR and SCP.

Results

Descriptive demographic information

Table 2 presents the descriptive statistics of the participants' demographic information: age, gender, position and experience.

Table 2: Demographic data: age and gender of all the participants

	Frequency (N=650)	Percentage (%)
Age		
<25 years	1	.2
25-35 years	93	14.3
36-45 years	203	31.2
46-55 years	205	31.5
> 55 years	148	22.8
Gender		
Female	149	22.9
Male	501	77.1

The descriptive information for the 650 respondents shows the age group with the highest representation were individuals aged 36-45 years and 46-55 years, closely followed by those aged 36-45. In contrast, individuals below 25 years and above 55 years were relatively fewer in number. 75% of respondents were men; most were owners, executives, and managers. This demographic profile suggests that decision-makers tend to be younger and better educated. They may also be more aware of business developments in sustainability matters and beyond.

The findings show a gender gap, with females making up 22.9%. This spread suggests a higher percentage of males and an acceptable gender mix reflective of the presence of males in senior positions (ZimStats, 2023). As a result, women tend to have a stronger sense of social duty than men, and their voice validates the outcomes as unbiased.

Table 3: Demographic data: Position, Education and Experience of all the participants

	Frequency (N=650)	Percentage (%)
Position		
CFO Manager	239	36.8
Senior Manager	292	44.9
Executive	119	18.3
Education		
Advanced secondary school level	31	4.8
Diploma/professional skilled artisans	114	17.5
Undergraduate Degree	257	39.5
Masters	191	29.4
PhD	24	3.7
Other	33	5.1
Experience		
Less than one year	37	5.7
1-5 years	252	38.8
6-10 years	188	28.9
11-15 years	92	14.2
Above 15 years	81	12.5

Organisational positions comprised chief financial officers (CFOs)(36.8%), senior operational managers in critical departments (44.9%), and other executive officers (18.3%). This profile is unsurprising given the usual demographics of company owners and managers in Zimbabwe, especially the Harare District. Senior managers (44.9%) make up the majority of the positions, followed by corporate services managers (36.8%) and executive functions (18.3%).

Table 3 above, regarding educational qualifications, shows that the most significant segment comprises individuals with undergraduate degrees, representing 39.5 percent of the population. The second-largest group includes individuals with a Master's degree, followed by diploma/professional skilled artisans holders representing 29.4 and 17.5 percent of the target population. Other qualifications, Advanced

secondary school level, PhD and other unspecified, represent 4.8 percent, 3.7 percent and 5.1 percent of the sample, respectively.

Further, work experience above five years in their positions was 55.6%. Collectively making fifty-six years of experience in the companies. Again, 55.6% of those with managerial levels of six years or higher show that decision-makers in corporate settings who are aware of concerns related to responsible management are informed about their organisations' social business initiatives, historical patterns, and expected trends. This observation implies that concerning the UN Sustainable Development Goals Agenda 2030, the respondents might be more informed about corporate changes in their sector and elsewhere.

Table 4: Profile of respondents by sector and experience

	Frequency (N=650)	Percentage (%)
Sector		
Health	58	8.9
Information Technology	85	13.1
Professional services	75	11.5
Retail and Wholesale	203	31.2
Tourism and Leisure	66	10.2
Financial Services	163	25.1
Experience		
Less than one year	37	5.7
1-5 years	252	38.8
6-10 years	188	28.9
11-15 years	92	14.2
Above 15 years	81	12.5

Table 4 above shows that Retail and wholesale comprise most of the six sectors, accounting for 31.2%. The second-largest sector is financial services, which accounts for 25.1% of the industry; information technology is the third-largest sector, with 13.2% of the total. With 11.5%, 10.2%, and 8.9%, respectively, professional services, tourism and leisure, and health are close behind.

Data purification

Before data processing, several measuring tools must be

improved and tested for accuracy (Anderson & Gerbing, 1988; Churchill Jr., 1979). Utilising previously established scale creation and purification methodologies and techniques (King *et al.*, 2012; Slavec & Drnovšek, 2012), specifically exploratory factor analysis (EFA) and confirmatory factor analysis (CFA), the scale items were all filtered and purified. SmartPLS 4.0 assesses each question's internal consistency and convergent validity. The internal consistency reliability assessment used composite reliability (CR) and Cronbach's alpha (CA). The evaluation of convergent validity involved

using factor or outer loadings and the Average Variance Extracted (AVE). Cronbach's alpha is a statistical tool that can analyse the degree to which numerous indications are internally consistent. Hair and Alamer (2022) found that the composite dependability value exceeded the minimum threshold of 0.70. The average variance extracted (AVE)

exceeded 0.50, indicating a robust convergent validity. Table 5 provides a concise summary of the principal findings derived from the study and presents a comprehensive exposition of the results (Hair & Alamer, 2022).

Table 5: Descriptive statistics

Variable	CA	CR	AVE
VIS	0.835	0.883	0.603
SCP	0.774	0.847	0.525
IAB	0.826	0.874	0.537
ROP	0.774	0.841	0.518
RWD	0.701	0.817	0.528
ICP	0.821	0.882	0.651
FPRO	0.835	0.879	0.547
EIV	0.877	0.907	0.619
FAD	0.868	0.901	0.604
HRF	0.858	0.892	0.545
ECT	0.747	0.840	0.570

Table 5 above displays the AVE values ranging from 0.518 to 0.651, indicating that the measurement constructs possess convergent validity, surpassing the recommended threshold of 0.5. The CR values, ranging from 0.817 to 0.907, meet the suggested threshold of 0.7, indicating good internal consistency of the measurement constructs. Furthermore, the CA values, ranging from 0.701 to 0.877, reinforce the presence of internal consistency within the measurement

items. Fourteen (14) items with factor loadings below 0.5 were eliminated from the analysis.

Table 6 presents the outcomes of the Fornell-Larcker criterion, a commonly used technique for evaluating the discriminant validity of measurement models (Fornell & Larcker, 1981). These findings provide insights into the measurement constructs' distinctiveness and ability to capture unique aspects of the latent variables.

Table 6: Fornell-Larcker criterion results

	VIS	SCP	IAB	ROP	RWD	ICP	FPRO	EIV	FAD	HRF	ECT
VIS	0.776										
SCP	0.201	0.725									
IAB	0.713	0.295	0.733								
ROP	0.199	0.495	0.269	0.720							
RWD	0.233	0.501	0.312	0.488	0.726						
ICP	0.673	0.090	0.654	0.122	0.138	0.807					
FPRO	0.649	0.146	0.620	0.248	0.231	0.596	0.740				
EIV	0.657	0.069	0.679	0.129	0.114	0.669	0.581	0.787			
FAD	0.631	0.113	0.698	0.163	0.149	0.66	0.586	0.723	0.777		
HRF	0.763	0.153	0.707	0.23	0.228	0.676	0.692	0.636	0.661	0.738	
ECT	0.691	0.097	0.657	0.177	0.148	0.684	0.655	0.686	0.661	0.682	0.755

Note: The number in bold is the square root of AVE

The Fornell-Larcker criterion reveals discriminant validity among all the measurement items, as indicated by the higher square root values of each factor's Average Variance Extracted (AVE) on the diagonal compared to the correlation coefficients. This observation confirms that each element is more strongly associated with its indicators than with the indicators of other factors, validating the distinctiveness of

the measurement constructs.

Additionally, to further evaluate the discriminant validity of the measurement models, the study employed the Heterotrait-Monotrait Ratio of Correlations (HTMT) technique. Table 7 presents the results of this analysis, providing additional insights into the distinctiveness of the measurement constructs.

Table 7: Heterotrait-Monotrait Ratio of Correlations (HTMT) results

	VIS	SCP	IAB	ROP	RWD	ICP	FPRO	EIV	FAD	HRF	ECT
VIS											
SCP	0.246										
IAB	0.857	0.367									
ROP	0.261	0.657	0.355								
RWD	0.303	0.679	0.410	0.697							
ICP	0.814	0.121	0.792	0.184	0.179						
FPRO	0.786	0.200	0.756	0.323	0.306	0.728					
EIV	0.765	0.105	0.794	0.174	0.146	0.789	0.681				
FAD	0.739	0.142	0.821	0.224	0.192	0.782	0.695	0.827			
HRF	0.893	0.195	0.836	0.292	0.292	0.801	0.826	0.732	0.764		
ECT	0.857	0.171	0.822	0.244	0.229	0.863	0.833	0.842	0.811	0.838	

The HTMT results confirm discriminant validity, as all values presented are below 0.90. This outcome indicates that each construct in the proposed model meets the requirements for structural equation modelling and demonstrates distinctiveness from other constructs. A common method bias (CMB) proposed by Kock and Lynn

(2012) was utilised to test for multicollinearity. Table 8 displays the results of this test, providing variance inflation factors (VIFs) for all latent variables in the model. The VIF values assist in assessing the potential presence of CMB and multicollinearity in the data.

Table 8: Full collinearity statistics (VIF) results

Variable	VIS	SCP	IAB	ROP	RWD	ICP	FPRO	EIV	FAD	HRF	ECT
VIF	3.104	1.487	2.513	1.497	1.736	2.541	3.014	1.644	3.007	1.842	2.645

Table 8 shows that all VIFs for the latent variables in the model are below 3.3, in line with the recommendation by Kock and Lynn (2012). This effect suggests the absence of multicollinearity, indicating that the variables in the model are not highly correlated. This observation strengthens the reliability and validity of the analysis. Moreover, the lack of multicollinearity suggests that the model is not affected by common method bias (CMB), ensuring the credibility of the

results.

Goodness-of-fit

R² and Q² are informative metrics for evaluating the model's quality, and Briones-Penalver *et al.* (2018) suggest that they should exceed zero. Table 9 provides several goodness-of-fit measures for further analysis and interpretation.

Table 9: Goodness of fit results

Endogenous latent variable	R ²	Q ²	Standardised root mean square residual (SRMR)	Normed Fit Index (NFI)
SCP	0.267	0.257	0.076	0.907
PHR	0.175	0.169		

The findings demonstrate that the path model exhibits predictive significance for each dependent construct, as evidenced by the R² and Q² values exceeding zero. According to the results in Table 9 above, 26.7% of the total variability in SCP is explained by EFF, PHR, ETR, and ECR. In addition, 17.5% of the total variability in PHR is said by EFF, ETR, and ECR. Additionally, a standardised root mean square residual (SRMR) value of 0.076 supports the model's acceptability, which falls below the recommended threshold of 0.08. Furthermore, the Normed Fit Index (NFI) value of 0.907 surpasses the recommended threshold of 0.90, indicating a good fit between the model and the data.

Structural model and hypothesis testing

A structural model was used to capture the linear regression effects of the endogenous constructs on one another (Hair & Alamer, 2022). These models can identify patterns of relationships among constructs. The PLS assessment of the model used path coefficients (β) and path significance (p-value). Figure 1 above visually presents the structural model's relationships and connections among the variables. It depicts the causal pathways and hypothesised associations between the constructs examined in the study. SmartPLS software was used to analyse the data and apply the partial least squares (PLS) approach to discover the correlations between the measurement elements. Figure 2 below shows the results.

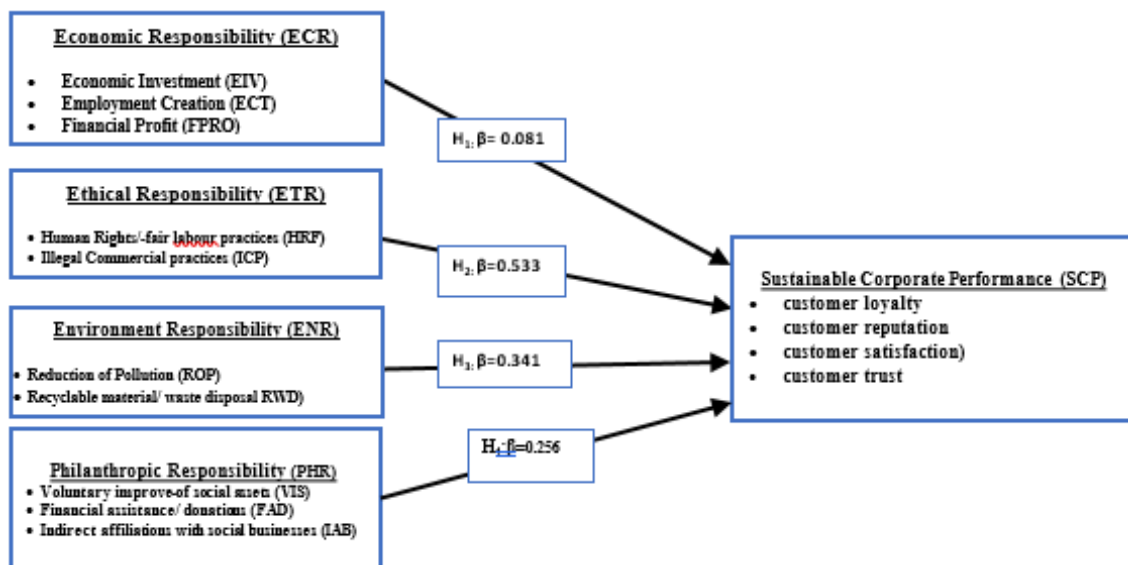


Fig 2: Research model results

Table 10 presents the PLS results for the structural model's

hypothesised relationships.

Table 10: Structural model's PLS direct relationship results

Hypothesis	Relationship	Coefficient (β)	SE	T	P-values	Decision
H1	ECR -> SCP	-0.076	0.048	1.570	0.116	Not Supported
H2	ETR -> SCP	-0.088	0.056	1.580	0.114	Not Supported
H3	ENR -> SCP	0.415	0.039	10.684	0.000	Supported
H4	PHR -> SCP	0.256	0.058	4.445	0.000	Supported

Philanthropic and environmental constructs were substantial at $p < 0.01$. The results in Table 10 indicate that ENR had a significant positive effect on SCP ($\beta = 0.415$, $t = 10.684$, $p < 0.001$), PHR had a significant positive impact on SCP ($\beta = 0.256$, $t = 4.445$, $p < 0.001$). However, ETR had an insignificant negative effect on SCP ($\beta = -0.088$, $t = 1.580$, $p = 0.114$), and ECR had a negligible negative impact on SCP ($\beta = -0.076$, $t = 1.570$, $p = 0.116$). These results suggest that H3 and H4 are supported. It can be noted that H1 and H2 are not supported. These criteria showed that only philanthropic (PHR) and environmental (ENR) constructs significantly influenced SCP, explaining 0.415 and 0.256 per unit in SCP, respectively.

Discussion and conclusions

The effect of CSR on sustainable business performance depends on specific circumstances. This study found a limited relationship between CSR and SCP in Zimbabwe's service-based industry. The little influence of CSR can be due to the tendency of organisations to adopt it in response to societal pressure rather than integrating it strategically into their broader business strategy (Zhang & Yi, 2022). The managers' assumptions about the impact of CSR on business growth could be their perceptions rather than verified facts. The stakeholders held differing opinions regarding the influence of CSR initiatives on their perceptions of the company. Some believed that CSR positively impacted SCP, while others attributed SCP to customer loyalty, reputation, and trust. The study revealed that managers of service-based businesses in this sector implemented various CSR initiatives focused on economic, environmental, and community development.

Economical CSR Initiatives and SCP

The results of the hypothesis testing in Table 10 indicate that economic constructs, specifically economic responsibility (ECR), do not significantly influence SCP. This finding aligns with previous studies by Zhong *et al.* (2022) and Dlamini and Mavengere (2019), highlighting a negative correlation between ECR and SCP, particularly in private firms. ECR is one of the four forms of CSR businesses can engage in to contribute to the community. It is frequently seen as the rationale behind the business case, as Kaplan and McMillan (2020) explained. Scholars have defined ECR as a company's activities to fulfil its profit objectives, which align with other CSR commitments (Zhong *et al.*, 2022; Randrianasolo & Semenov, 2022; Achmad, 2022; Carroll & Shabana, 2010). These ECR actions can include investing in local communities, creating employment opportunities, and supporting local businesses. As such, companies can engage in production initiatives that reduce their carbon footprint and invest in renewable energy to conserve natural resources, not as a profit motive. By making these investment decisions, companies aim to achieve their nonfinancial goals (Wickert, 2021; Carroll & Shabana, 2010). The concept of ECR has sparked debates among researchers and stakeholders. Society believes running a business should not solely focus on profit

but also contribute to a better community.

The relationship between CSR and sustainable business performance is intricate and has multiple dimensions. Adopting CSR has advantages and disadvantages. On the one hand, implementing CSR practices can lead to benefits such as increased customer loyalty, financial stability, corporate legitimacy, and stakeholder value (Islam *et al.*, 2021). However, some challenges and uncertainties come with embracing CSR. Before implementing CSR, businesses should thoroughly evaluate its advantages and disadvantages, considering the unique context and strategic planning (Zhang & Yi, 2022; Carroll, 1991).

Ethical CSR Initiatives and SCP

Based on the results indicating a lack of statistically significant influence of ethical constructs on SCP, businesses should not depend exclusively on moral obligations towards CSR practices to enhance their overall performance. In addition to the factors above, it is imperative to consider operational efficiency, innovation, and customer satisfaction. Second, enterprises must comprehensively comprehend the diverse definitions and viewpoints about ethical responsibility. This understanding will assist individuals in aligning their behaviours with the anticipated desires and requirements of various stakeholders. Third, Managers should contemplate integrating CSR initiatives that align with their fundamental principles and brand image. This approach can enhance its reputation and bolster its CSR initiatives aligning with its core values. Certain managers emphasise CSR initiatives to garner greater recognition for their ethical conduct concerning shareholder remuneration (Chen *et al.*, 2019). Simultaneously, governmental regulations mandate that corporations take measures to prevent environmental degradation and refrain from engaging in illegal activities.

Environmental CSR initiatives and SCP

The study's results indicate that environmental constructs significantly influence SCP. This finding aligns with previous research that suggests customers expect businesses to take responsibility for their environmental impact and engage in sustainable practices. There is a growing societal demand for companies to adopt environmentally friendly approaches and actively engage in community development (Baah *et al.*, 2021). Ecological responsibility concerns the need for green legitimacy and regulatory stakeholder demands. It also pertains to a business organisation's commitment to maintaining an environmentally friendly environment. Environmental responsibility initiatives aim to minimise pollution and encourage businesses to adopt sustainable practices for utilising natural resources. This approach is related to environmental stewardship and calls for measures such as reducing pollution, greenhouse gas emissions, single-use plastic consumption, water consumption, and communal waste (Abbas & Dogan, 2022; Lee & Raschke, 2021). Environmental responsibility assessments can enhance a company's support for renewable energy, sustainable resources, and recyclable materials,

thereby reducing waste disposal. Companies that invest in environmental responsibility can improve their reputation and financial gains, especially when the costs associated with reducing emissions are relatively low. Overall, these findings highlight the significant comparative implications of incorporating environmental responsibility into business practices.

Philanthropic (PHR) CSR initiatives and SCP

The study findings are presented in Table 10, and the hypothesis testing criteria indicate a significant influence of philanthropic constructs (PHR) on SCP. Dlamini and Mavengere (2019) argue that CSR in the service sector is more of philanthropy rather than being driven by marketing strategies. The current finding is consistent with previous studies (Aboud & Yang, 2022; Abdelmoety *et al.*, 2021; Al-Abdallah & Ahmed, 2018) that have also demonstrated the positive impact of community development CSR initiatives on a company's brand reputation, leading to the development of SCP. The findings mentioned are consistent with the study conducted by Ajina *et al.* (2019), where they discovered a correlation between community economic empowerment CSR initiatives and their impact on small business SCP. The findings presented in the text are consistent with the results of recent studies conducted by Zhong *et al.* (2022), Randrianasolo and Semenov (2022), and Achmad (2022). These studies highlight the various manifestations of philanthropic CSR initiatives and their potential impact on business responsiveness. Specifically, such initiatives can foster emotional connections with customers and serve as a tangible demonstration of a company's dedication to social responsibility.

Theoretical implications

This literature review highlights the significance of CSR in the service-based enterprises sector and the need to explore its relationship with SCP. The stakeholder theory emphasises meeting the needs of all stakeholders, while the neoclassical perspective questions the costs and benefits of CSR. Research shows that CSR has a positive impact on firm performance. There is a research gap in understanding the specific dimensions of CSR and their contributions to SCP in the service-based enterprises sector in Zimbabwe. ESG practices have a broader scope than CSR as they integrate environmental, social, and governance factors into business decision-making.

Practical implications

This study has two main practical implications for business firms considering CSR. First, the most widely used CSR strategies were philanthropic. The approach corresponded closely with the most popular once-off donations for charitable concerns with a limited community developmental agenda. Thus, social marketing is the primary concern. This study reveals support for ECR, ENR, and ETR's direct relationship with PHR, demonstrating the reasonable citizenry expectation for business as integral to their communities. Thus, offering opportunities could exploit and explore nurturing customer loyalty and SCP. Al-Abdallah and Ahmed (2018) suggest that CSR initiatives, including sustainability, ethical sourcing, and community involvement, demonstrate a business organisation's commitment to the welfare of stakeholders and the environment. Customers are more likely to be loyal to a business if they believe it

positively impacts society. Recent studies have shown that implementing processes with indirect affiliation to the business activities (IAB) could be initiatives that can effectively cultivate a positive brand image and improve reputation in their serviced communities. CSR can develop long-lasting and reliable relationships between businesses and customers, improving performance (Le, 2022; Islam *et al.*, 2021; Devie *et al.*, 2020).

Public policy implications

Government policies can establish a framework and guidelines for businesses to adhere to when implementing CSR practices. These policies set the standards and obligations for companies to participate in CSR initiatives, including promoting environmental sustainability, contributing to community development, and adhering to ethical business practices. The government can encourage businesses to prioritise CSR and ensure accountability by implementing well-defined standards and regulations. Second, financial incentives from the government might persuade companies to implement and finance CSR programs. Businesses that show a commitment to CSR can receive support in the form of tax breaks, grants, or subsidies. The government can encourage firms to allocate resources towards CSR activities by offering financial incentives. This positive act can lead to positive social and environmental outcomes.

Conclusions

The dimensions of CSR in the service-based enterprises sector in Zimbabwe include environmental sustainability, employee well-being, community development, ethical sourcing, responsible marketing, and philanthropy. These dimensions contribute to various aspects of SCP, such as reputation, employee satisfaction and productivity, community and supplier relationships, brand reputation, and stakeholder trust.

The relationship between CSR and business performance is contingent on specific circumstances and can be intricate. The study found a limited connection between CSR and SCP in Zimbabwe's service-based industry. The little impact of CSR may be attributed to organisations adopting it as a response to societal pressure rather than strategically integrating it into their business strategy. The study found that stakeholders had varying opinions on the impact of CSR initiatives on their perceptions of the company. Opinions changed on the influence of CSR on SCP, with some believing it was positive, while others attributed SCP to customer satisfaction and trust.

The study found that economic responsibility (ECR) did not significantly influence SCP, while ethical and environmental responsibilities had a significant impact. The analysis found that philanthropic commitment (PHR) significantly affects CSR and SCP. These findings indicate that businesses should not solely depend on moral obligations towards CSR practices to improve performance. They should consider operational efficiency, innovation, customer satisfaction, and aligning CSR initiatives with their core values and brand image.

Integrating environmental responsibility into business can have significant comparative implications, while philanthropic CSR initiatives can positively impact a company's brand reputation and contribute to SCP.

Limitations and future research

This study focuses on the service-based industry in Zimbabwe and acknowledges that the results may not apply to other sectors or developing countries. The study also recognises that the relationship between CSR and SCP can vary depending on the industry or sector in which a company operates. The use of cross-sectional data limits the ability to establish causal relationships, and the study acknowledges that stakeholders have differing opinions on the impact of CSR on SCP. The analysis primarily focuses on CSR's economic, ethical, environmental, and philanthropic aspects but does not comprehensively examine other factors that could impact SCP. The study also acknowledges that stakeholder expectations regarding CSR can vary based on geographic location and social, cultural, and regulatory contexts. The study highlights the need for further investigation and analysis to understand the complex relationship between CSR and SCP fully. Based on the limitations of the study, the recommends three areas for future inquiry as follows:

Future research could conduct a longitudinal study with a measurable set of clear, relevant, economic, adequate, and monitorable (CREAM) indicators to isolate the impact of CSR initiatives on SCP in a dynamic process. This study would allow researchers to observe, monitor, and evaluate changes in SCP over time and determine whether these changes are solely due to CSR initiatives or other factors. A baseline study will also select the critical indicators for comparison, allowing researchers to assess how CSR initiatives drive SCP in the service-based industry.

Future research could replicate this study with a diverse sample to improve the generalisability of the findings. A multiple-sector sample profile would allow researchers to explore the relationship between CSR initiatives and SCP across different economic set-ups and demographic groups. Despite limitations in scope and subjective perceptions, this study provides valuable insights into the correlation between CSR and SCP in Zimbabwe's service-based industry. Conducting a comprehensive analysis that thoroughly examines CSR initiatives and identifies any mediating effects is crucial.

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