Corporate Social Responsibility in SMEs: a shift from philanthropy to institutional works?

Abstract

Corporate Social Responsibility (CSR) amongst Small and Medium Enterprises (SMEs) is often characterised in the literature as unstructured, informal, and ad hoc discretionary philanthropic activities. Drawing insights from recent theoretical/analytical frameworks (i.e. Crane, Matten, and Spence, 2013; and Valente and Crane, 2010), and on empirical data collected from both Nigeria and Tanzania, we found that CSR practices in SMEs are much more nuanced than previously presented. In addition, SMEs undertake their CSR practices to varying degrees in multiple spaces – i.e. the workplace, marketplace, community and the ecological environment. These CSR practices go beyond philanthropy and in some instances involve institutional works aimed at addressing some of the institutional gaps in the environments where these SMEs operate. The paper makes a contribution by drawing attention to the multiple spaces of CSR practices amongst SMEs, and the institutional works they do, which are often taken for granted in the extant literature. We provide a unique perspective – by arguing that what is frequently conceptualised as philanthropic CSR in Africa is (or may include) ‘institutional works’.

Paper Type: Research paper.

Keywords: Corporate Social Responsibility (CSR), Nigeria, Tanzania, Sub-Saharan Africa, SMEs, Institutional works
Introduction

Corporate Social Responsibility (CSR) in developing countries, especially in Africa, is plagued by limited research on SMEs (Jamali, Lund-Thomsen, and Jeppesen, in press). The emphasis has rather been on the CSR practices of multinational corporations (MNCs) in Africa, based on three restrictive assumptions (see Ladzani and Seeletse, 2012). First, it is implicitly assumed that the societal role of businesses should be primarily, if not exclusively, undertaken by companies which are seen as more powerful and visible (i.e., MNCs). Second, it is assumed that SMEs lack sufficient influence or resources to adequately address social issues. Third, SMEs should be encouraged to avoid irresponsible behaviour and not focus on social activism. As a result, CSR by SMEs in Africa has tended to escape academic scrutiny.

This is particularly problematic given that SMEs are often the mainstay of most economies in terms of employment creation; and their cumulative social and environmental impacts are highly significant (Fox, 2004). For instance, in Nigeria, SMEs represent about 90 percent of the country’s industrial sector (Aruwa, 2004), contribute around 50 percent of gross domestic product (GDP), account for 60 percent of employment in national or local economies, and about 30 percent of exports (Peoples Daily, 2013). This is also the case in Tanzania where the government clearly considers SMEs as engines of economic development.¹ Besides, SMEs do not only outnumber MNCs in Africa, they are also closer to society than MNCs (Azmat and Samaratunge, 2009; Knudsen, 2013:391). Hence, Fox (2004) argues that there is an urgent need to

¹ It is important to note that Tanzania's efforts to take into account SMEs on development issues go back to the 1970s with the Small Industries Development Organization (SIDO) Act of 1973.
focus the CSR debate on SMEs, because it offers the potential for significant progress towards the achievement of sustainable development in Africa.

Consequently, this paper examines the CSR practices of SMEs in Nigeria (West Africa) and Tanzania (East Africa). The choice of Nigeria and Tanzania is not arbitrary. The two countries together represent the defining characteristics of the environment within which businesses operate in Sub-Saharan Africa. This business environment is characterised by heightened uncertainty, economic stagnation, political upheaval and poverty - i.e. what Painter-Morland and Dobie (2009) have conceptualised as a context of contaminating relationship\(^2\). Although Nigeria is the largest economy in Africa, it is still characterised by weak infrastructure provision, poor governance, weak public sector, inadequate private property protection, corruption, weak enforcement of contracts, and high cost of doing business (Amaeshi, Adegbite and Rajwani, 2014; Okike, 2007). Similarly, Tanzania is ranked amongst the poorest countries in the world, and marked by large institutional weaknesses, which constitute an impediment to economic policy reforms (Morrissey, 1995; Wood and Frynas, 2006). Despite these institutional shortcomings, firms are challenged to contribute to Africa’s development through their CSR activities (Fox, 2004; Valente and Crane, 2010; Gilbert and Jenkins, 2014; Idemudia, 2014). This is rather paradoxical and puzzling given the traditional view that capitalist institutions need to be in place to motivate or enable companies to engage in CSR (Campbell, 2007; Aguilera and Jackson, 2003).

\(^2\) Where the pressures to go along with unethical practices are very strong and positive peer pressure is rare.
Accordingly, this paper seeks to explore how SMEs in Nigeria and Tanzania engage with CSR, particularly in the midst of their challenging institutional environments. The study examines the motivations for SMEs to engage in CSR, and the associated challenges that they might face. It reveals the negative effects of weak institutional contexts on the CSR motivations of SME owners, as well as the institutional works done by these SMEs. Hence, by exploring the (drivers of) CSR of SMEs in these contexts of contaminated relationships and weak institutional settings, this paper seeks to, first, contribute to the scarce literature on CSR by SMEs, and second, address the limited nature of CSR literature in Africa (Idemudia, 2014). In addition, the paper potentially offers an alternative perspective to the mainstream discourse of CSR in Africa, which has often characterised CSR as mere philanthropy (Visser, 2008; Amaeshi et al., 2006). By drawing attention to the institutional works embedded in such CSR activities, it indeed corroborates Amalric et al (2004), as well as Egels-Zandén (in press), who note that a more constructive way to explore CSR is from a perspective that searches for the institutional innovations that it might engender, in order to address the challenges of our time. The paper proceeds with a literature review on CSR in developing countries, and thereafter the methodology, findings, discussions and contributions are presented.

CSR and SMEs in Developing Countries: The limited nature of the African perspective

For the purpose of this paper, CSR represents the idea that companies should voluntarily consider the social and environmental impacts (negative and positive) of their actions on both the internal and external stakeholders of the firm (e.g., employees, customers,
suppliers, local community, the government) and behave accordingly (Kim et al., 2013; Azmat and Samaratunge, 2009). It fits with Campbell (2007:951)’s view of CSR as “not knowingly do(ing) anything that could harm…stakeholders… (and) if corporations do cause harm to their stakeholders, they must then rectify it whenever the harm is discovered and brought to their attention”. Nonetheless, the meaning and practice of CSR have been argued to be context specific and socio-culturally embedded (Matten and Moon, 2008; Idemudia, 2008). This view is informed by the understanding that firms and management practices are functions and products of institutional influences and configurations, and has led to the emerging field of comparative CSR. However, despite this view of CSR, there is some consensus that businesses are not responsible for solving all social problems (Blowfield and Murray, 2011). However, businesses are still expected to take responsibility for addressing the problems they cause and the socio-environmental issues relating to their business operations (Blowfield, 2010; Kanter, 2011). In other words, the basic idea of CSR is that business and society are interwoven rather than distinct entities; therefore, society has certain expectations for appropriate business behaviour (Wood, 1991; Idemudia, 2009). These societal expectations are not restricted to large businesses; they also apply to small businesses (Fox, 2004; Worthington et al, 2006).

Given that small businesses make up over 90 per cent of businesses worldwide and account for between 50 and 60 per cent of employment, making them very important in the development process (Raynard and Fortaster, 2002), it is worthwhile to explore what entrepreneurs and SMEs make of CSR. Several authors have noted that despite their
contributions to socio-economic development, there is a dearth of research on CSR in small businesses (Vyakarnam et al., 1997). This trend, however, started to shift in the 2000s, when CSR in small businesses began to receive attention in the literature – albeit with some difficulties. For example, Jenkins (2006) suggested that researchers are now recognising the importance of business ethics and social responsibility as they apply to small firms, as a result of their significant scale and aggregate achievements in every economy. She further noted that majority of small businesses accept that organisations like themselves should pay significant attention to their social and environmental responsibilities. Similarly, Murillo and Lozano (2006) noted that the values represented by the owner-manager of the company constitute a key factor when trying to understand the rationale behind a given CSR practice (see also Worthington et al., 2006).

Nevertheless, while there has been a gradual rise of interest in the study of CSR by SMES, such efforts have mostly focused on SMEs in developed countries with limited attention to SMES in developing and emerging economies (Khan and Lund-Thomsen, 2011; Jamali et al., in press). For instance, Jamali et al. (2009) have noted that while CSR research has begun to extend its focus beyond large firms in developed countries to CSR practices in developing countries, especially by MNCs, there has been very little done with regards to small businesses in developing country contexts. Similarly, Azmat and Samaratunge (2009) observed that despite the important role of SMEs in creating employment, promoting economic growth and alleviating poverty, they have largely not received adequate scholarly attention. This situation was partly explained by, Jamali et al. (2009:355) who noted that while small businesses “have long been recognised as
important economic players in the developed world, their contributions are only starting to gain due regard/appreciation in developing countries."

In order to understand CSR in SMEs, particularly in developing economies, it is important to note that many SMEs are run by their founders and owners. As such, most of the decision-making regarding CSR lies in the hands of these individuals (Morsing and Perrini, 2009). It has also been documented that SMEs are more concerned with their immediate stakeholders than their secondary stakeholders (Lepoutre and Heene, 2006) with one of the priority areas being the well-being of employees (Coppaa and Srirameshb, 2013). This is closely followed by the local communities, due to the strong ties that SMEs have with them (Lepoutre and Heene, 2006). As a result of these strong ties, they are eager to engage in philanthropic activities (Coppaa and Srirameshb, 2013). Additional, some SMEs are more engaged in CSR as a result of being part of a supply chain that requires them to fulfil certain obligations in order to satisfy their larger clients as well as maintain existing business relationships (Jamali et al., 2009).

In contrast, one issue that seems to be of less priority among SMEs is the environment (Lepoutre and Heene, 2006). They are also less concerned with pressures from NGOs, as the latter tend to focus more of their attention on larger businesses. Besides, SMEs often do not have massive brands that need to be protected (Coppaa and Srirameshb, 2013; Demuijnck and Ngnodjom, 2013). SMEs are also less likely to have CSR departments, officers, policies, or partake in social and environmental reporting, or sign up to CSR

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3 In contrast, Jenkins (2004) has argued that SMEs do not necessarily have greater ties to the local community; rather they simply maintain a different relationship from that of larger businesses.
agreements (Spence, 2007). They often tend to engage in CSR activities on an ad hoc basis (Sweeney, 2007) because they rarely have sufficient human capital, funds or time to do so (Jenkins, 2004; Lepoutre and Heene, 2006). Indeed, owner-managers of SMEs are often in-charge of various issues and are constantly multi-tasking in their attempts to resolve various pressing concerns that continuously arise (Spence and Rutherford, 2003; Spence, 1999). Hence, they have insufficient time to strategise about CSR and consider long-term possibilities or trajectories for their businesses (Spence, 1999).

The foregoing patterns and issues have similarly been identified in the emerging but limited CSR and SME literature in Africa. For example, in the empirical study of the CSR of SMEs in Cameroon, Demuijnck and Ngodjom (2013) found that there are striking similarities in the way SMEs in Cameroon and the SMEs in Europe interpret their responsibility. Azmat and Samaratunge (2009) also highlight the similarity between developed and developing countries with regards to the strong link between the CSR activities and orientation of SMEs and the ethical and cultural values of the owner-managers. Nonetheless, the paucity of work on CSR and SMEs in Africa means that only limited aspects of the SME-CSR relationship have so far been explored (see Demuijnck and Ngodjom, 2013; Turyakira, Venter and Smith, 2014; Pianter-Morland and Dobie, 2009; Fatoki and Chiliya, 2012; Ladzani and Seeletse, 2012; Yusuf and Dansu, 2013; Jamali et al., 2009). Although these works have been particularly insightful, and point to the influences of managerial discretion in shaping the CSR-SME relationship in Africa, they tend to focus excessively on managerial discretions in their accounts, with less emphasis on the possible influences of their institutional context (Jamali et al., in
press; Hamann, Smith, Tashman, and Marshall, in press). Within this perspective, owner-managers are perceived as powerful agents and determinants of CSR practices in their organisations. In other words, whilst owner-managers’ values and intent are important factors, this view often takes for granted possible institutional influences on organizational level CSR practices, which is antithetical to the understanding of management practices as products of multi-layered interactions of managerial, organisational and institutional logics (Whittington, 2006).

On the contrary, the institutional view recognises that CSR varies from region to region (Campbell, 2007; Matten and Moon, 2008; Sen and Cowley, 2013), and from developed to developing economies (Visser, 2008; Idemudia, 2011). As such, it could be argued that the managerial discretion perspective of CSR in SMEs lays too much emphasis on the agency of the owner-managers of these businesses in developing economies, and thus tends to inadvertently neglect the mutual responsiveness and interdependency between agents and institutional structures (Giddens, 1984; Matten and Moon, 2008). In other words, while these owner-managers of small businesses do exercise agency with regards to their CSR practices, such efforts could also be constrained or strengthened by their institutional contexts (Giddens, 1984; Crouch, 2005; Lawrence and Suddaby, 2006). Hence, a key issue here is the extent to which owner-managers of SMEs are either passive or active champions of CSR, particularly in challenging institutional contexts, such as in most African countries. There is, therefore, a need to further focus on both the drivers of CSR in SMEs, and the different functions that the CSR practices of SMEs play in their unique institutional contexts. This is particularly important given that the
literature on CSR in developing countries and in Africa, in particular, tends to reduce CSR to mere philanthropy. As such, we do not know much about if and how CSR practices in these contexts go beyond philanthropy; and whether they engage in some institutional works, which address institutional gaps in their environment or not. Thus the purpose of this paper is to examine CSR practices of SMEs in Nigeria and Tanzania by focusing on these related questions:

1. What informs and influences CSR amongst SMEs in Sub-Saharan Africa?
2. How do these SMEs enact their CSR practices, and what functions do the CSR practices perform in their institutional contexts?

Research design

Background Context

Nigeria, a former British colony, gained independence in 1960 and became a republic in 1963. With a population of about 170 million people, Nigeria accounts for about 47 per cent of West Africa’s population and is the most populous country in Africa. Nigeria’s economy is also the largest in Africa, with a GDP of USD418.7bn (in terms of purchasing power parity), and a GDP per capita of USD2, 600 (CIA, 2012). Notwithstanding, Nigeria’s economy is struggling to leverage the country’s oil wealth in addressing poverty, weak infrastructure, unemployment amongst other social problems that affect majority of its population (Idemudia, 2012; Amaeshi et al., 2014).

Tanzania was formed in 1964 when Tanganyika and Zanzibar were joined following
British rule.\textsuperscript{4} Tanzania is a poorer nation in comparison to Nigeria and has a GDP per capita of USD561 (Business Monitor International, 2013). As of 2012, there were 46.91 million people in the country (Marketline, 2013) belonging to more than 125 ethnic groups. The country is reliant on the agricultural sector, as almost 80% of the workforce depends on the sector for their livelihood (Marketline, 2013). The country is further dependent on aid from bilateral and multilateral donors with a minimum of 30% of the Tanzanian government’s budget originating from grants (Business Monitor International, 2013). Tanzania faces similar problems with Nigeria - e.g. a low quality of education, poor healthcare system, corruption and weak infrastructure - which create a challenging environment for business owners and CSR.

Effective CSR can make significant positive contributions to the lives of Africans (Fox 2004; Valente and Crane, 2010; Gilbert and Jenkins, 2014), majority of whom have lost confidence in the government, with regards to the provision of basic necessities of life, but look up to businesses, as beacons of hope (Adegbite and Nakajima, 2011; Amaeshi et al., 2014).

\textit{Method}

As the nature of the research questions is exploratory, the study employed a qualitative research approach, and data were collected from 39 SMEs (30 in Nigeria and 9 in

\textsuperscript{4} The president at the point of independence, Julius Kambarage Nyerere, implemented a socialist development policy entitled “ujamaa” in an attempt to foster sustainable development in the country. Although Tanzania is considered a democracy, the same party has been in power since 1977. Chama Cha Mapinduzi (CCM) was established during the first president’s rein in office and the party has won every single election since a multi-party system was introduced in 1995 including the most recent election in 2010 which re-instated the current president Jakaya Mrisho Kikwete.
Tanzania) – through a mixture of interviews and focus group sessions. The owner-managers were chosen because of their close proximity to their businesses (Jenkins, 2006; Murillo and Lozano, 2006). The framing of the data collection questions and analysis were to a large extent based on the four CSR themes put forward by Crane, Matten and Spence (2013) (i.e., CSR in the workplace, marketplace, ecological environment, and the community). They were also informed by Jamali et al. (2009), Azmat and Samaratunge (2009), Valente and Crane (2010), as well as the United Nations Global Compact’s Ten Principles. Data collection in Nigeria was between May 2012 to October 2014, and Tanzania was between April 2013 and May 2013.

Data Collection in Nigeria

We first interviewed 23 owner-managers of SMEs in Nigeria, who were randomly drawn from the database of the Enterprise Development Centre (EDC) of the Pan African University, Nigeria, which is a foremost source of enterprise development data in Nigeria. The database has about 6,000 SMEs in Nigeria. The interviews, which took an average of one hour each, were to get a top line view of how these owner-managers understand CSR and respond to it. In line with our research questions, this first phase was meant to capture the meaning, framing, and motivation of CSR in SMEs, and the general context of CSR by SMEs. The outcome was used, with guidance from the literature, to formulate a discussion guide, which then informed a focus group data collection in the second phase of the study.
Understanding the different meanings owner-managers place on their experiences often requires research techniques that delve more deeply into people’s hidden interpretations, understandings, and motivations (Cooper and Schindler, 2011). As such, the second phase of the study was a set of focus group sessions with the owner-managers of SMEs in Lagos, Nigeria. A total of 30 owner-managers of SMEs (including the first 23 interviewees) from different sectors participated in the focus group sessions. These owner-managers were not randomly selected, but a good degree of overall representation was achieved, as participants were drawn from different backgrounds and functions, which helped to harness a mix of different perspectives (see Amaeshi et al., 2006). Due to the sensitivity of CSR issues, we ensured that we selected non-competitors to create an enabling environment for the participants to discuss (see Table 1 for a select representative sample of the focus group participants, as the participants were assured of anonymity and confidentiality). We increased the efficiency of the focus groups by keeping the size of the groups small and encouraging members to expressly discuss their views on CSR without actual or perceived intimidation (Ewings et al., 2008). The focus group sessions enabled in-depth discussions on CSR by Nigerian SMEs and gave additional insights into the understanding and framing of CSR, as well as the motivation and challenges involved.

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5 We ran three different focus group sessions which took around 2 hours each to give room for in-depth discussions.
<table>
<thead>
<tr>
<th>Firms</th>
<th>Descriptions</th>
<th>Staff Strength</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>NA</td>
<td>An electrical engineering services company, engaged in electrical designs, wiring, providing electrical services to the service sector, building electrical panels, maintenance as well as installing production machineries for plastic production companies.</td>
<td>4</td>
<td>Engineering</td>
</tr>
<tr>
<td>NB</td>
<td>A bakery. They bake everything from cakes to bread, all sorts of pastries, deserts, etcetera. They also offer training services to people who are interested in the art of baking.</td>
<td>6</td>
<td>Food</td>
</tr>
<tr>
<td>NC</td>
<td>A multi-dimensional firm. It includes a fashion design outlet, a restaurant and a supermarket.</td>
<td>31</td>
<td>Multi sector</td>
</tr>
<tr>
<td>ND</td>
<td>An educational services firm that is engaged with providing educational services, a nursery/primary school, a child centre as well as training and consultancy services for schools and individuals.</td>
<td>14</td>
<td>Education</td>
</tr>
<tr>
<td>NE</td>
<td>A manufacturing outfit into production, manufacturing and printing of all manner of uniforms, caps, t-shirts, etcetera.</td>
<td>60</td>
<td>Manufacturing Services</td>
</tr>
<tr>
<td>NF</td>
<td>An agrochemical manufacturing company into the production of fertilizers, agrochemical products and household products.</td>
<td>200</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>NG</td>
<td>A pharmaceutical company that deals with supply and maintenance of dialysis machines in teaching hospitals across Nigeria</td>
<td>20</td>
<td>Pharmaceutical Services</td>
</tr>
<tr>
<td>NH</td>
<td>A consulting firm, offering business solutions to small businesses, through business planning, research, and training.</td>
<td>10</td>
<td>Consulting</td>
</tr>
<tr>
<td>NI</td>
<td>A garment producing firm into industrial clothing, uniforms for various companies such as oil companies, airline companies, etcetera. They also supply health and safety equipment for the office environment.</td>
<td>25</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>NJ</td>
<td>A laundry and dry-cleaning firm</td>
<td>7</td>
<td>Laundry Services</td>
</tr>
</tbody>
</table>
The sessions were moderated and recorded by the authors with the help of two research assistants who, also, took copious notes. These sessions provided direct evidence about the similarities and differences in the participants’ opinions as well as helped to develop a collective understanding of how CSR was viewed by SMEs in Nigeria, including the institutional antecedents.

Data Collection in Tanzania

Given the relatively less developed nature of CSR in Tanzania (see Idemudia, 2014), archival data were first used to obtain a better understanding of the contextual situation in Tanzania prior to conducting face-to-face semi-structured interviews. Each interview took an average of one hour. Undertaking semi-structured interviews, as opposed to structured interviews, also provided sufficient opportunity for clarification and additional questioning, in a way that facilitated an in-depth understanding of the CSR context (Saunders, Lewis and Thornhill, 2009). Nine SME owner-managers were interviewed in Tanzania. Table 2 illustrates the business sectors of the SME owners and also provides the number of companies interviewed in each sector. The SME participants operate in a variety of sectors and are mostly based in the main commercial city, Dar es Salaam. The participants were also assured of anonymity and confidentiality.

Analysis

The interviews and focus groups were transcribed, and the transcripts were triangulated with other documents and texts such as annual reports, company publications and email exchanges. Given that the focus of the research is on the meaning and practice of CSR,
these documents were anonymised accordingly in the process of data coding, analysis and interpretation. Because of the nature of the SMEs and their gravitation towards ‘silent CSR’ (Azmat and Samaratunge, 2009; Blowfield and Murray, 2011; Jamali et al., 2009; Perrini, 2006), the meaning of CSR in the data was explored through the accounts of the actions and activities of the SMEs, which led to a multi-order coding process.

Table 2 - Details of Tanzanian SMEs

<table>
<thead>
<tr>
<th>Firm</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>TA</td>
<td>Textiles</td>
</tr>
<tr>
<td>TB &amp; TC</td>
<td>Food Processing</td>
</tr>
<tr>
<td>TD</td>
<td>Mining</td>
</tr>
<tr>
<td>TE</td>
<td>Leather Goods</td>
</tr>
<tr>
<td>TF</td>
<td>Education</td>
</tr>
<tr>
<td>TG</td>
<td>Media</td>
</tr>
<tr>
<td>TH</td>
<td>Art Gallery</td>
</tr>
<tr>
<td>TI</td>
<td>Consulting</td>
</tr>
</tbody>
</table>

The first order coding of the data was based on Crane et al. (2013)’s categorisation of CSR activities into different spaces. According to Crane et al. (2013), CSR in the workplace relates to activities within a firm particularly in relation to people management, corporate governance, health and safety, amongst others. It is usually about CSR in the internal environment of the firm. They note that CSR in the marketplace relates to issues such as consumer welfare, pricing, promotion, production, and all the other factors that could be reasonably characterised as marketplace issues. According to them, CSR in the ecological environment will relate to such issues as biodiversity, pollution, climate change, global warming, and waste management, amongst others. CSR in the community is how the firm interacts with its local community, and may encompass
what is traditionally known as philanthropy or corporate social investments (Crane et al. 2013).

While these spaces appear reasonably distinct, they can also overlap considerably. For example, waste-management/recycling could be seen as a workplace as well as an ecological environment issue. The same also applies to employee voluntarism, which could easily be caught between CSR in the workplace and CSR in the community. Bearing these possible overlaps in mind, the data analysis was driven by a rigorous coding guide, and involved a lot of iterations and discussions amongst the researchers. This iterative approach led to further insights and sense-making of the data, which triggered some thoughts on the second order coding of the data. Basically, the researchers came to the view that the different activities within similar spaces were not necessarily performing the same functions. For instance, an SME that prioritises the hiring of female employees and one that offers medical insurance could be said to have activities in the workplace, but these activities are filling different institutional gaps. Therefore, stopping at the first order coding would mask the complexity of activities embedded in the different CSR spaces, thereby preventing insights into the institutional work of CSR activities. Thus, in order to further disentangle and make sense of the different activities in the different CSR spaces, the second order coding of the data relied on Valente and Crane (2010)’s framework on public responsibility strategies. According to the authors:

Public responsibility strategies may include some activities that might more typically be thought of as CSR or corporate philanthropy but only those encapsulated by activities aimed at filling in for government absence—or what some have referred to as “political CSR” or “extended” corporate citizenship. (p. 55).
These strategies are further divided into four: i.e. those that are non-core (Supplementary and Support strategies), and those that are core (Substitute and Stimulate strategies) to the operations of the firm. The descriptions and examples of these strategies are presented in Table 3 while the two order data coding approach is illustrated in Figure 1.

Figure 1 - Coding Structure of CSR in SMEs
Table 3 - Core and Non-Core CSR Strategies in SMEs

<table>
<thead>
<tr>
<th>Public Responsibility Strategies</th>
<th>Descriptions</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supplementary</td>
<td>When companies “…fill gaps left by the public sector by directly taking on public service roles through their corporate citizenship programs, even when these have little relationship with the core operations of the firm” (Valente and Crane, 2010:58)</td>
<td><strong>Citizenship</strong>: “Companies may supplement existing government activity in geographical or functional areas where it is lacking, for example by building schools, health care facilities, or physical infrastructure” (Valente and Crane, 2010:58).</td>
</tr>
<tr>
<td>Support</td>
<td>“…it involves supporting the development of political infrastructure and will to assist in closing public welfare gaps such as social injustice, violence, and cultural intolerance. Support implies that the company leverages its position to facilitate action or affect change in those actors responsible for fulfilling public gaps”. (Valente and Crane, 2010:62)</td>
<td><strong>Capacity Building</strong>: “This may involve building capacity of governmental and civil society organizations to take on the fulfillment of public responsibility gaps or it may involve intervening in particular actions, taken by governmental organizations, that may or may not be in the best interests of public citizens” (Valente and Crane, 2010:62).</td>
</tr>
<tr>
<td>Substitute</td>
<td>Here, “…the firm takes over direct delivery of public services…” (p.64), as its core operation</td>
<td><strong>Privatisation</strong>: “Many of the most prominent examples of this strategy are in private utilities where governments privatize particular public services or contract them out to companies” (Valente and Crane, 2010:65).</td>
</tr>
<tr>
<td>Stimulate</td>
<td>Here companies “…drive new models of social provision through the development of political or economic infrastructure that addresses gaps in public welfare”, and or “…leverage their products and services or their set of value chain activities to stimulate different forms of economic activity or regulatory behavior that directly or indirectly contributes to the achievement of public goals…” as core to their operations (Valente and Crane, 2010:68)</td>
<td><strong>Lobbying</strong>: “For instance, information technology companies in the Global Network Initiative have made commitments to lobby governments against censorship of the Internet in order to better serve their developing country consumers” (Valente and Crane, 2010:68).</td>
</tr>
</tbody>
</table>
Findings

Drawing on the data collected from both countries we explore the meanings, motivations, and challenges of undertaking CSR practices by SMEs. In addition, we highlight how the SMEs studied here engage in institutional work by filling institutional voids.

Meanings, Motivations, and Challenges of CSR

Most of the participants framed CSR as “giving back to society”. The following quotes are examples of some of the responses given by the participants.

“Basically, CSR means giving back to the community where we operate our business...” [Firm NF].

“One of the things we preach is that ... you’re never too small to do CSR. CSR is basically just giving back, to where you receive from [sic]. In simple terms (…) that’s how we explain it so that our clients will understand. You receive from your customers who pay you, you receive from your staff, you receive from your community, and you receive from your suppliers. You receive, so you need to give back. That way you would be seen as a responsible company.” [Firm NH]

“Well, I’d say from my layman’s point of view, that you try to give back to your community while doing your business.” [Firm NE].

This view is further and succinctly captured by Company NF and Company TD, respectively:

“...We try to see what....we can give to the community ... in our own little way.” (Company NF)

“when you go and plough back in the village, it gives your company name and they feel your company is part of them and they will have faith in whatever you tell them, ...you will be accepted”. (Company TD)
This conception of CSR as ‘giving back’ and responding to the needs of their immediate environment is consistent with other similar findings on CSR in Africa. For example, Painter-Morland and Dobie (2009) argued that for many SMEs in Africa, although there are no formalised CSR departments or projects, they respond to the immediate concerns of their families and communities by creating jobs and bringing goods and services to those who need them (see also Demuijnck and Ngodjom, 2013). Similarly, Turyakira et al. (2014) have also noted that CSR from an SME perspective can be equated with the notion of giving back to the community, treating employees fairly and offering quality products and services. We also found that the “giving back” notion goes beyond the interaction with the immediate communities. For example, Company TF, a private primary school in Tanzania, engages in training/teaching public school teachers/pupils because it is seen to be beneficial to the entire nation. This, therefore, suggests that despite the challenges of the contaminating context, within which SMEs in Africa operate, there is some awareness of, as well as efforts, made to address their social responsibility, however limited this might be. This finding seems to challenge Rossouw (2002) assertion that many SMEs in Africa are operating based on ‘survival morality’ that emphasises ‘bread first and morality later’.

Furthermore, we found that there are multiple (and often mixed) drivers of social responsibility in the SMEs we studied. Some of the SMEs claimed that their interactions with their immediate communities are guided by their personal values, morals or religious beliefs, which is in line with the findings of Amaeshi et al. (2006). Company NA, puts it this way:
“If you do the social analysis of human development you will find out that every human being ... has a community impact on their development so you are merely being part of that communal development. No business survives without a social environment.”

However, while some respondents were motivated by their personal values, morals or religious beliefs, others were motivated by patriotic reasons, regulatory compliance, and supply chain pressures. Examples of these motivations are highlighted in Table 4. This finding is largely consistent with the findings of Painter-Morland and Dobie (2009) who stated that the ethical value of SMEs owners, education, and exposure to international business practices, religion, and socio-economic factors were some of the main determinants of SME’s approach to ethical business practices (see also Hamann et al., in press; Worthington et al., 2006). The findings also seem to support the argument made by Lund-Thomsen and Lindgreen (2014) who suggested that the pressures within global supply chains influences CSR practices by SMEs. Indeed, the findings presented here (Table 4) suggest that the integration of SMEs within global supply chains positively influenced their motivation to pursue CSR initiatives even if such pressures might be perceived as a constraint (Amaeshi et al., 2014; Idemudia, 2011).

Furthermore, these motivations signal a mixture of managerial discretion and structural influences. The managerial discretion view, as earlier discussed, tends to frame owner-managers as powerful actors who are capable of shaping and enacting their CSR practices irrespective of their institutional contexts. In such instances, managerial values (Hemingway and Maclagan, 2004; Visser, 2008) assume agency over and above institutional pressures and influences.
<table>
<thead>
<tr>
<th>Motivations</th>
<th>Sample extracts from focussed group discussions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nationalistic and patriotic orientations</td>
<td>“we want Nigeria to be a better place, we want the society to be better” [Firm NE]</td>
</tr>
<tr>
<td></td>
<td>“I think in my own case, it’s seeing a brighter future in our country” [Firm NB]</td>
</tr>
<tr>
<td></td>
<td>“we started the school doing some form of social responsibility and trying to inculcate the same spirit in the children …, so they can grow up also knowing that they have a responsibility towards their society …. [Firm ND]</td>
</tr>
<tr>
<td></td>
<td>“when we need to hire casual workers, we hire people in the local area”[Firm NE]</td>
</tr>
<tr>
<td>Religious beliefs</td>
<td>“…..I actually believe in social responsibility, I believe it’s part of Christian principles…the Bible says that Jesus went about doing good, healing all manner of sicknesses, we may not have as much power to go out and heal a number of sicknesses but in our own little way, we have a way of doing that…..” [Firm ND]</td>
</tr>
<tr>
<td>Ethics and Other Orientation Altruism</td>
<td>“we are mindful that, we don’t channel our waste to where it would be ….it’s the right thing to do not only because we are monitored by the government, … it’s not good to channel your waste water to a drainage or wherever it’s going to be toxic to the environment” [Firm NF]</td>
</tr>
<tr>
<td></td>
<td>“we use generators, it can’t be good for us, the air can’t be healthy... environmentally, you just have ventilated spaces, like people that have factories … shouldn’t be too tight, so that the fumes can escape….it’s not only the fumes, even the noise, I think that’s part of our own challenges, I run two generators... I’m not happy … because my business is close to other people” [Firm NI]</td>
</tr>
<tr>
<td></td>
<td>“we noticed that the residents in our environment have to move their cars about 2 kilometres to come back into their street so…we had to construct a culvert, close to a million naira(^6) and then we employed about 50 of the residents’ ..We are also trying to see how we can help them access water. We also contributed towards getting a new transformer for the area.” [Firm NF]</td>
</tr>
<tr>
<td>Global Supply Chain Pressures</td>
<td>“we have to register with…an European based company, (…..) which means we must have certain amount of females in our organization.. I cannot employ people under the age of 18, I must have basic health and safety equipment… and they do inspections…and also when you are registered with DPR (Department of Petroleum Resources) they check to make sure you have everything intact... you do health insurance for your staff, et cetera. All this makes you socially responsible…” [Firm NI]</td>
</tr>
</tbody>
</table>

\(^6\) $1 is N160
The interactions between managerial discretions and structural pressures are strongly expressed in the challenges the owner-managers of these SMEs encounter in their pursuit of responsible business practices. These challenges make it difficult for SMEs to thrive successfully and engage in CSR. The quote below succinctly illustrates these challenges:

“I want to put it this way because sometimes some of these things can be very challenging (....) I do all the things I should do, pay my tax, give back to the community, all those things that are supposed to be socially responsible, but the government has refused to play their part, they don’t fix the roads.... Sometimes most of us are rarely motivated to do some of these things, because if you look at the challenges you are discouraged” [Firm NF]

This respondent point to the tension between the managerial discretion of SMEs owners over CSR and the negative pressures put on them by the institutional context. In particular, it reflects the challenges of practising CSR by the SMEs in a weak institutional context. Hence, it is important to further examine the types of CSR practices these SMEs engage in, despite the hostile nature of their institutional environment to CSR, and what functions these CSR initiatives perform in their contexts.

**CSR as Institutional Works in Multiple Spaces**

Following Crane et al. (2013)’s spaces of CSR, and Valente and Crane (2010)’s public responsibility strategies (see Figure 1), we found that CSR practices in SMEs are much more nuanced than previously presented and occur to varying degrees in multiple spaces – i.e. the workplace, marketplace, community and the ecological environment. These CSR practices go beyond philanthropy and in some instances involve institutional works aimed at addressing some of the institutional gaps in the environments where these SMEs operate. These practices are highlighted below.
CSR in the Workplace

CSR in the workplace relates to how SMEs interact with their employees. Several CSR issues emerged when analysing the data but some were not considered essential, as the participants had less to say about them or did not display overtly strong feelings about the issues. Employee welfare, work-life balance, employee capacity building, and equality in gender opportunities, for example, strongly came across as important CSR issues for both Nigerian and Tanzanian SMEs. On gender diversity in Tanzanian SMEs, majority of the SME participants have a higher percentage of female staff (see Table 5). Company TG’s owner-manager admitted that preferential treatment for female employment was intentional and stated thus: “I’m pro women empowerment”. This outcome may also be due to the fact that the majority of the owner-managers were women. Furthermore, SMEs who had the smallest percentage of female staff were all owned and managed by men. Company TH, which had the smallest number of female employees, attributed this to the labour-intensity of its work.

Regarding work life balance, majority of the SMEs in the Tanzanian sample did not exceed the official limit of 45 hours per week⁷. This indicates that the owner-managers are cognizant that their staff should not be overworked and require sufficient time off work to rest and for work-life balance. Inequality in gender opportunities is especially more apparent in the case of Nigeria, with employees working much longer than the legally prescribed hours. Beyond this difference, there is an awareness of the need to address gender imbalance within the workplace in both countries. These findings

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⁷ It is important to note that although employees can work 50 hours of over-time within a four-week period, 63% of Tanzanians tend to work more than this allowance (International Labour Organization, 2010).
reinforce the argument by Karam and Jamali (2013) that an environment marked by institutional contradictions can often be a fertile ground for what they call gendering CSR.

Table 5 - CSR in the Workplace Figures

<table>
<thead>
<tr>
<th>Firm</th>
<th>Sector</th>
<th>Number of Employees</th>
<th>Size</th>
<th>Female Staff Percentage</th>
<th>Working Hours Per Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>TA</td>
<td>Textiles</td>
<td>20</td>
<td>Small</td>
<td>80%</td>
<td>40</td>
</tr>
<tr>
<td>TB</td>
<td>Food Processing</td>
<td>34</td>
<td>Small</td>
<td>Most</td>
<td>48</td>
</tr>
<tr>
<td>TC</td>
<td>Food Processing</td>
<td>100</td>
<td>Medium</td>
<td>56%</td>
<td>60</td>
</tr>
<tr>
<td>TD</td>
<td>Mining</td>
<td>8</td>
<td>Small</td>
<td>75%</td>
<td>40</td>
</tr>
<tr>
<td>TE</td>
<td>Leather Goods</td>
<td>17</td>
<td>Small</td>
<td>47%</td>
<td>45</td>
</tr>
<tr>
<td>TF</td>
<td>Education</td>
<td>11</td>
<td>Small</td>
<td>72%</td>
<td>40</td>
</tr>
<tr>
<td>TG</td>
<td>Media</td>
<td>10</td>
<td>Small</td>
<td>90%</td>
<td>40</td>
</tr>
<tr>
<td>TH</td>
<td>Art Gallery</td>
<td>25</td>
<td>Small</td>
<td>20%</td>
<td>42</td>
</tr>
<tr>
<td>TI</td>
<td>Consulting</td>
<td>5</td>
<td>Small</td>
<td>60%</td>
<td>37.5</td>
</tr>
</tbody>
</table>

However, all the SMEs examined in both countries regularly provide their employees with work related training. Many of the businesses also provide training for nutrition, as well as malaria and HIV/AIDS prevention. According to the SME owners that provide additional training, this is highly appreciated by the employees and in some cases more rewarding to them than financial remuneration. For example, HIV/AIDS training for SMEs staff in Tanzania is very important due to the high prevalence of HIV infection and the limited nature of medical infrastructure to address the problem. Hence staff members value such types of training, and the owner-managers take pride in the fact that they are
assisting their employees to prevent HIV infection. This is also particularly useful as the availability and use of medical insurance is not common in most African countries.

Given that the provision of such training is not core to the business operations of the SMEs, such efforts are, indeed, filling some institutional gaps. We identify these activities as instances where the SMEs take on supplementary public responsibility. Some of the other similar public responsibility strategies include free or subsidized meals, loan provision, and salary advance, which are essential given the prevalence of poverty in both countries. For example, most SMEs in our sample offer loans or salary advances to their employees to enable them cover certain personal expenses when in need. This is mainly because access to low interest credit is very difficult in both countries (World Bank, 2013). If the SMEs do not offer this service, many of their employees would have difficulty obtaining loans elsewhere, as illustrated in these extracts:

“*We have to [provide these loans] because sometimes they cannot get loans from banks. It is part of our responsibility...*” (Company TB)

“One of our directors didn’t actually insure his wife’s shop – she sells stationery and her shop was burgled. Since the property wasn’t insured the loss was running to over a million Naira and we provided a little buffer financially up to ¾ of her loss. It was an interest free loan which was spread over an eight month repayment period, because in a way, if she is emotionally destabilized it will affect her husband and affect his productivity in the organization.” (Company NE)

Notwithstanding, these CSR gestures are not purely altruistic, as they may also be underpinned by some instrumental motives. These expressions of supplementary public responsibility are valued by employees, who in turn contribute positively to the SMEs. In other words, this type of CSR can increase employee morale, wellbeing, organizational
commitment and performance (Farooq et al. 2014; Vlachos et al., 2013). A Tanzanian SME succinctly captures this phenomenon:

“...I want to make them to feel comfortable and to like what they are doing and to feel they are part of the business...”

**CSR in the Marketplace**

According to Crane et al. (2013), CSR in the marketplace relates to all the factors that could be reasonably characterised as marketplace issues – including product safety and quality. However, while product safety and quality remains an important CSR consideration for firms in developed countries, it does not appear to be an important concern for the participants in both Nigerian and Tanzanian SMEs. This, perhaps, might be explained by the ineffectiveness of government regulators to ensure the safety and quality of goods and services. Secondly, although recent studies have shown that consumers could be the driving forces behind company's CSR practices (Caruana and Chatzidakis, 2014), this seems not to be the case in both countries probably due to consumer perceived apathy and passivity towards CSR (Öberseder, Schlegelmilch, and Gruber, 2014). Notwithstanding, some SMEs confront this negative institutional limitations to find innovative ways of addressing consumer needs, where such are inadvertently or deliberately constrained by poor regulations and ineffective policy enforcement (Hamann et al., in press). For example, this is demonstrated in Nigeria, where a government policy on micro-insurance inadvertently excluded poorer people and those at the bottom of the pyramid. Nonetheless Company NF confronts this institutional challenge through CSR, as follows:

“Regulations sometimes force us not to insure certain people where there is evidence of high risk and default. However, where we know that a customer is
experiencing some economic downfall, and the customer has proven to be a consistent customer we can take the risk, put some things in place for them, and expect them to pay back when they are in a position to do so.”

The foregoing assertion is another example of CSR practices by SMEs playing a supplementary role in the marketplace. Another key issue that has been highlighted in other studies on CSR in developing countries is corruption – especially as a marketplace phenomenon (e.g., Abugre, 2014). All the participants in Nigeria and Tanzania recognise that corruption is an issue; however, not all admit that it is a problem for their own business. One of the owners who has experienced corruption, Company TI, stated:

“...the saddest part about this whole thing (corruption) is that it has become a way of life that almost everybody has embraced and people think it’s okay... We have lost a lot of business in terms of potential clients that we could have been dealing with just because we don’t give kickback (bribe)....”

It must also be noted that even if companies have been impacted by corruption, they do not necessarily report it to the authorities or collaborate with organisations that fight corruption. For instance, Company TG said:

“I haven’t talked to them, the reason is... you report them, then you die natural death...people will be like oh so that’s the one who reports other people, no don’t take money from her, and don’t give her business”.

Thus, although corruption might be a problem for some, there is a sense of resignation and acceptance. Some of our data respondents simply consider it out of their control and participate in such behaviour in order to keep their businesses afloat. This shows that in the process of filling institutional gaps, SMEs are, also, squeezed and challenged by the institutional constraints they face and tend to respond differently. For instance, from the examples above, Company TG just conforms silently, where possible, while Company TI
walks away occasionally. Walking away is a form of ‘economic sacrifice’ - i.e. an expression of moral courage - that should not be overlooked. This was also confirmed by some Nigerian SMEs who chose not to pay bribes for some legitimate services and bore the negative consequences of not succumbing to corruption (companies NA, NC, NI).

The participants who admitted to having had to deal with corruption were very clear about how challenging and damaging it was for their business activities. They were passionate about the topic and spoke about it at great lengths. Yet those who stated that they were not affected by corruption appeared uninterested in the issue. Out of all the topics this appears to be the one that polarised the participants the most. However, Nigerian SMEs talked more freely about the topic than Tanzanian SMEs. This might be because the issue of corruption is widely acknowledged and talked about in the Nigerian society as a major impediment to economic development. From these accounts, it is reasonable to conclude that most of the SMEs do engage with CSR in the marketplace; but these efforts tend to be weak, passive and conformist.

**CSR in the Community**

As earlier stated, most of the SMEs in our sample expressed their CSR in the community as a form of "giving back" to society. However, drawing insights from Valente and Crane (2010)’s public responsibility strategies, we found that most of these “giving back activities” are geared towards addressing one institutional gap or the other in the community. For example, Company TF, which runs a primary school, stated that the school’s teachers regularly spend time at the local (government owned) primary school to
provide the teachers there with additional training and to conduct learning activities with the pupils.

“So the idea was to reach out to those kids who cannot afford to come here but we know they are equally important to the nation and to us.” (Company TF)

In this case, the school is acting as a substitute provider of education, which is core to its operations, and at the same time supporting the training of teachers, which is not core to its business operation. Some others (e.g. companies NC and ND) offer scholarships to students or contribute to the construction of schools. Activities such as these are common to all of the SMEs in both countries. Additionally, some participants provide religious donations and contribute to local hospitals, even when these are not directly related to their core businesses. These activities point to the supplement function role that CSR practices by SME can play.

**CSR in the Ecological Environment**

This aspect of CSR is significantly underdeveloped amongst the SMEs in our sample compared to the other aspects of CSR outlined above. Although two thirds of the participants in both countries are involved in recycling, what they recycle is not always linked to their core business. For example, two of the companies stated that they re-use paper in their offices. Company TE however recycles materials that they use on a daily basis by creating new products from waste material. Companies TA, NC, NE and NF also use waste material by designing new products out of the scraps and sub-contracting the work to local women’s groups in order to prevent waste and also increase employment. The overall accounts here show that there is an element of environmental consciousness
amongst these SMEs albeit these practices are basic and not easily distinguishable on a second order analysis. Overall, the SMEs in our sample consider their activities as having negligible impact on the environment, compared to the activities of MNCs. They also think they do not have the financial resources and expertise necessary in addressing environmental/ecological issues, when confronted by many more pressing issues arising from the workplace, the marketplace and the local communities. This concern is expressed by a Nigerian company (NA):

“For the environment, I believe most of the big companies get involved in the environmental related issues because they have the funds. Doing business in Nigeria is very tough”

The limited engagement of these SMEs in environmental/ecological CSR practices is not unique to this study. Similar studies have come to the same conclusion, except where there are instrumental reasons for the SMEs to engage in such practices (Arend, 2014; Hamann et al., in press). So, a possible interpretation of our results could be that the SMEs in our sample are yet to find entrepreneurial ways to capture benefits from ecological related CSR practices.

Table 6 - Summary of findings crossing the four spaces and the strategies

<table>
<thead>
<tr>
<th></th>
<th>Workplace</th>
<th>Marketplace</th>
<th>Community</th>
<th>Ecological Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supplement</strong></td>
<td>✓ YES</td>
<td>✓ YES</td>
<td>✓ YES</td>
<td>✗ NO</td>
</tr>
<tr>
<td><strong>Support</strong></td>
<td>✗ NO</td>
<td>✗ NO</td>
<td>✓ YES</td>
<td>✗ NO</td>
</tr>
<tr>
<td><strong>Substitute</strong></td>
<td>✗ NO</td>
<td>✗ NO</td>
<td>✓ YES</td>
<td>✗ NO</td>
</tr>
<tr>
<td><strong>Stimulate</strong></td>
<td>✗ NO</td>
<td>✗ NO</td>
<td>✗ NO</td>
<td>✗ NO</td>
</tr>
</tbody>
</table>

Discussions

The CSR literature is understandably dominated by a focus on large firms, given the power and influence wielded by these firms in society. However, large firms, especially
MNCs, are often socio-culturally detached from the communities they operate in, and rely on preconceived notions of engagement, which lack sufficient appreciation of the local context and stakeholder expectations (Idemudia, 2014). In contrast, our study shows that CSR by SMEs, although limited in financial resources and power, presents a useful means of understanding how CSR can help confront institutional dilemmas in subtle ways which improve business-society interaction and promote public responsibility. This view corroborates Egels-Zandén (in press), which explores the institutional works done by a Swedish SME in a global production network, in relation to paying living wages in India.

The study brings to the fore an understanding of CSR amongst SMEs, which goes beyond the widely suggested simplistic philanthropic perspective – especially in Africa and in other developing countries (Amaeshi et al., 2006; Jamali and Mirshak, 2007; Klins, Van Niekerk and Smit, 2010; Visser, 2006). It emphasises a broader view of CSR as an institutional transformative force, whilst retaining and repositioning its philanthropic characteristics. In other words, CSR, as philanthropy in Africa, can also be an implicit manifestation of institutional work guided by a socio-cultural ethic, which suggests that “the successful ones should lend helping hands to those in need” (Company NB). We, therefore, fill a gap in the literature on CSR in Africa which has not explored how CSR in SMEs may go beyond philanthropy to address institutional gaps in their environment. Perhaps what is conceptualised as philanthropic CSR in Africa is based on the logic and understanding of CSR activities by MNCs. This understanding is now frequently extended to any such similar activities irrespective of their underpinnings. This
mainstream perspective in the literature may be misleading. Simply put, we point out that what may be seen as philanthropy is (or may include) ‘institutional work’.

In addition, this study highlights the tension between CSR, as a force for institutional change, and the persistent resilience of the status quo, as an expression of institutional continuity, especially in weak institutional contexts. Nonetheless, as demonstrated by the owner-managers of the SMEs in our study, coping with these challenges can sometimes be a function of sacrifice: - “so it’s actually part of the challenges but sometimes you have to ask yourself what are the ethical values I hold and sometimes you damn it and bear the consequences to get to where you are going…” [Firm ND]; or caving-in to the pressures of the weak institutional context, especially when the costs of non-conformity are disproportionately high: “I wasn’t happy about it but it was either I gave them money or loose the job.” [Firm NF]. This tension often constitutes a challenge for institutional workers (Lawrence and Suddaby, 2008) and calls for further enquiry.

The foregoing analysis offers three useful insights into the CSR literature. The first is that while previous works have often argued that CSR in Africa is predominantly philanthropic, the manner in which CSR helps to fill institutional gaps has often not received adequate attention. Our findings highlight how some CSR practices help address gaps in public policy. This thus highlights the limitations of applying Western assumptions that often equate philanthropy to mere charity in African contexts, where a similar CSR practice (i.e. philanthropy) serves different functions. This supports the view that CSR meaning and functions are often context specific. It also draws attention to the
need to re-examine and re-articulate the role of business in Africa and the contribution of
the private sector to Africa’s development – a goal which is central to the Africapitalism movement (Amaeshi, 2013a, 2013b; Elumelu, 2015; Amaeshi and Idemudia, in press).
Although Africapitalism shares a lot (e.g. sense of progress and prosperity) with the
Creating Shared Value (CSV) proposition articulated by Porter and Kramer (2011), it
differs remarkably from CSV following its (i.e. Africapitalism) emphasis on “sense of
place and belongingness” (Amaeshi and Idemudia, in press).

The second lies in the tension between managerial influences and institutional context.
While previous studies have often alluded to this tension, how it shapes CSR practice has
remained relatively unclear. Here, it is demonstrated that while managerial agency
matters significantly for CSR practices within the workplace and the community, these
drivers are relatively weak in the area of environment and the market place, where
institutions are key to shaping behaviour. For example, our results suggest that within
institutional voids, as in Sub-Saharan Africa, SMEs are less sensitive to some CSR issues
within certain spaces such as the marketplace and the environment. This could be due to
the distance between these SMEs and these CSR issues, which appear too remote and
distant from their immediate core business concerns. A possible conclusion is that the
perceived nature of the distance between an issue and the core business of SMEs shapes
the CSR focus and practices of SMEs in developing countries. This could explain why in

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8 "Africapitalism, a term coined by Mr Tony O. Elumelu C.O.N. – a Nigerian banker and economist is an
economic philosophy that embodies the private sector's commitment to the economic transformation of Africa
through investments that generate both economic prosperity and social wealth". He argues that "Africa's
renaissance lies in the confluence of the right business and political action". The concept is fast becoming a
buzz word in Africa and expected to gain recognition even beyond the continent. It has continued to attract
significant attention in both business and policy circles.” (Amaeshi and Idemudia, in press)
certain domains, SMEs might adopt a survival morality attitude towards CSR practices and in others, they adopt a different attitude. The institutional context is thus important in understanding the relative degrees to which SMEs undertake CSR practices within different spaces in their interactions with society.

The third insight relates to the fact that developing country contexts present a key challenge to theorizing CSR in Africa. On one hand, the dysfunctionality of local institutions means CSR practices are likely to be inherently constrained in their ability to achieve their full potential. On the other hand, CSR practices seem to be addressing institutional gaps and thus they strive to strengthen existing local institutions. Consequently and paradoxically, the lack of an effective public policy, which should ideally be a disincentive, can encourage responsible business practices in SMEs. Nonetheless, macro-institutional conditions are still important in creating enabling environment\(^9\) for CSR (Amaeshi et al., 2014; Idemudia, 2008; 2010).

Finally, while Valente and Crane (2010) is a useful analytical framework, our findings suggest that the public responsibility strategies articulated by the framework need not occur in isolation. In other words, they can occur simultaneously – e.g. the co-existence

\(^9\) The importance of the institutional context is made visible when Nigerian and Tanzanian SMEs are compared to UK SMEs. Based on Jenkins (2006)’s findings, the UK environment for SMEs is enabling. For instance, most SMEs in the UK would not generate their own electricity, water or even construct their own road because these have all been provided by the government. The government interfaces with the private sector, so small businesses can therefore focus on CSR relevant initiatives such as providing alternative sources of energy flow to reduce the consumption of fossil fuels. There is also the presence of a strong civil society which forms part of the motivation for UK small businesses to engage in responsible business practices. Taking all of these into consideration, the question would be if the contextual factors were different for SMEs in Nigeria and Tanzania, would that change the way that they would understand, implement and be motivated towards CSR? This question serves as a starting point to promote further research.
of the *substitute, supplement*, and *support* functions, as shown by our findings. However, we did not explore the conditions that enable such co-existence and the process of its emergence. We suggest this as an area for further research to theoretically strength the analytical framework and enhance its empirical usefulness.

**Conclusion**

This paper contributes to the limited literature on CSR practices in Africa by strengthening our understanding of CSR practices by SMEs in Sub-Saharan-Africa and highlights the institutional functions of such efforts within weak institutional context. The paper makes three main contributions. Firstly, it reveals the diversity of CSR practices undertaken by SMEs in Sub-Saharan African SMEs and thus suggests that such efforts go beyond philanthropy. This suggests that SMEs voluntarily expand their CSR practices in areas where public action is lacking. In doing so, SMEs engage in institutional works in different spaces (i.e., the workplace, marketplace, local community, and ecological environment). Secondly, the paper highlights the tensions in the relationship between institutional context and the agency of owner-managers of SMEs in determining and shaping the nature and focus of CSR practices by SMEs. Indeed, while SMEs are able to engage in CSR practices in certain spaces (i.e., the workplace and the community) despite the hostile nature of their business environment, the agency of the owner-managers of SMEs to engage in CSR is also often constrained by their institutional context in others spaces (i.e., the marketplace and the environment). This suggests that while institutional context matters for CSR practices, as suggested by proponent of the enabling environment perspective to CSR (see Idemduia, 2010), SMEs have also developed
different coping strategies to manage the challenges presented by their weak institutional environment. Finally, the paper adds some nuance to the view that enabling institutions are fundamental to the success of CSR (Campbell, 2007). It has demonstrated that not all CSR spaces require enabling institutions to stimulate Sub-Saharan African SMEs’ engagement in CSR practices. This calls for further studies to better understand the local drivers of CSR in Africa and ways via which such drivers can be strengthened if CSR practices are to achieve their full developmental potential in Africa.

In terms of policy implications, insights from this study can help governments in developing countries provide a more nuanced collaborative engagement with SMEs in addressing institutional gaps through CSR. However, this does not undermine the need for government’s commitment to building strong institutions. In terms of practice relevance, we anticipate that this study will help SMEs to adopt CSR strategies that fit with local expectations. Nonetheless, a limitation of this exploratory study is that the SMEs interviewed represent a small percentage, although moderately representative, of both the Tanzanian and Nigerian business communities. Hence, there is a need for future studies to explore the issues covered here in different parts of Africa so as to ascertain the extent to which the findings presented here are applicable to other parts of the continent. Similarly, future research can conduct sectoral studies to determine whether SMEs operating within different sectors behave differently in similar or different CSR spaces and how this shapes their CSR strategies. Crucially, the goals should include seeking to better understand the different coping strategies adopted by SMEs to address the institutional opportunities and challenges confronting their CSR efforts.
References


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