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Philanthropy's role in mediating the relationship between corporate social responsibility (CSR) and sustainable corporate performance (SCP) in Zimbabwe's service sector: Evidence from managerial cognitions

Leo Mataruka^{1*}, Simona Činčalová², Clara Mapokotera³, Joe Muzurura⁴, Walter Mkumbuzi⁵

¹Department of Finance and Banking, Faculty of Commerce, Innovation and Technology, The Catholic University of Zimbabwe, Harare Campus, Zimbabwe. <https://orcid.org/0000-0001-6589-7216> e-mail: lmataruka@cuz.ac.zw

²Department of Economic Studies, College of Polytechnics Jihlava, Czech Republic. <https://orcid.org/0000-0003-0830-233X> e-mail: simona.cincalova@vspj.cz

³Department of Sociology and Gender Studies, Staff College, Zimbabwe Prisons & Correctional Services, Harare Campus, Zimbabwe. <https://orcid.org/0009-0006-5062-2344> e-mail: claramapolotera@gmail.com

⁴Department of Economics, Faculty of Business Sciences, Midlands State University, Harare Campus, Zimbabwe. <https://orcid.org/0000-0001-9774-0598> e-mail: muzururaj@staff.msu.ac.zw

⁵Department of Finance and Accounting, Faculty of Business Management Sciences and Economics, University of Zimbabwe. Harare, Zimbabwe. <https://orcid.org/0000-0003-0128-6592> e-mail: wpmkumbuzi@gmail.com

*Corresponding author: Leo Mataruka

Abstract

This study addresses the mediating role of the philanthropic dimension of corporate social responsibility in the relationship between other corporate social responsibility practices and sustainable corporate performance in Zimbabwe's service-based firm sector. Managerial perceptual data was collected from 650 senior managers in organizations within the service-based sector of the Harare region. The online questionnaire's measurement items draw from stakeholder, legitimacy, and triple-bottom-line theories. The empirical findings highlight the relative importance of environmental and philanthropic factors in promoting long-term competitiveness. The results suggest that philanthropy is a mediator in the connection between the corporate social responsibility dimensions of economic, ethical, and environmental responsibilities. The importance of philanthropy in elucidating the relationship between these variables is implied. The study emphasizes that relying solely on philanthropy is insufficient to maintain long-term performance. Achieving sustainable corporate performance growth depends on the optimal interaction of different corporate social responsibility elements, which drive business growth. Investing in corporate social responsibility by collaborating with stakeholders and creating shared value is crucial for firms to succeed. This research adds to the current literature on corporate social responsibility and sustainability performance by offering valuable insights into the motivations, challenges, and strategies unique to Zimbabwe's service sector. The text underscores the significance of environmental and philanthropic factors in promoting long-term competitiveness. It also emphasizes adopting a comprehensive corporate social responsibility approach to achieve sustainable performance.

Keywords: Corporate social responsibility, Philanthropy, Sustainable corporate performance, Structural equation modelling, Service sector, Zimbabwe

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1. Introduction

Corporate Social Responsibility (CSR) has gained significant attention in the literature for its potential to drive sustainable business practices and enhance sustainable corporate performance (SCP). There is a research gap regarding the motivations, challenges, and strategies Zimbabwe's service sector employs in pursuing CSR initiatives. This paper examines the role of philanthropic CSR (PHR) in mediating the relationship between CSR and SCP, specifically from a Zimbabwean managerial lens within the Environmental, Social, and Governance (ESG) framework.

In recent years, there has been an increasing recognition and adoption of ESG practices. The practices involve incorporating environmental, social, and governance factors into the decision-making processes of businesses (Hahn & Kühnen, 2013). It is crucial to compare the individual effects of ESG and CSR practises on business performance and social welfare. CSR is a voluntary initiative businesses undertake to address social and environmental impacts. Extensive research has been conducted to comprehend the effects of sustainability practices on business performance and social welfare. Carroll and Shabana (2010) argue that implementing CSR initiatives can improve a company's reputation and brand image, fostering customer loyalty and trust.

Bhattacharya et al. (2008) highlight the growing awareness among consumers regarding businesses' social and environmental effects. They also note that consumers tend to favour companies that demonstrate a significant dedication to CSR. These studies emphasise the ability of CSR to generate immediate and positive outcomes for local communities and enhance relationships with stakeholders.

However, it is essential to acknowledge that while ESG practises strive to integrate environmental, social, and governance factors into business decision-making, a limited amount of literature explicitly investigates the impact of these practices on business performance and social welfare. According to Hahn and Kühnen (2013), utilising ESG metrics allows for a more thorough assessment of a company's sustainability performance and ability to meet stakeholders' expectations. ESG measurements enable systematic comparison of companies' sustainability efforts, facilitating the identification of trends and best practices across diverse industries for investors, stakeholders, and researchers.

Based on the available literature and the identifiable distinctions between CSR and ESG approaches, there are justifiable reasons to prioritise CSR in certain situations. Firstly, it is essential to note that CSR initiatives enable companies to proactively address specific social and environmental issues. This proactive approach can enhance the company's reputation and foster customer loyalty. CSR

facilitates adopting targeted initiatives that improve social well-being and promote community development. In addition, it is common for CSR initiatives to involve voluntary actions beyond simply complying with regulations. This demonstrates a company's commitment to conducting business ethically and responsibly. By committing to this, companies can differentiate themselves in the market and attract stakeholders prioritising sustainability and social impact.

Studies have highlighted the positive implications of CSR for businesses. CSR enables organisations to prioritise the well-being of stakeholders and cultivate a positive company image (Abbas & Dogan, 2022; Allui & Pinto, 2022; Abdelmoety et al., 2021; Kaplan & McMillan, 2020). Engaging in CSR activities helps firms meet societal expectations and develop a competitive advantage (Wickert, 2021; Wong & Dhanesh, 2017; Lubin & Esty, 2010). CSR initiatives contribute to corporate responsibility, including economic, ethical, legal, and philanthropic. They ensure compliance with the law, avoid harm to society, and promote community development (Liqi et al., 2022).

Empirical studies suggest that philanthropic CSR (PHR) mediates the relationship between CSR and SCP. PHR is crucial for explaining the connection between these variables. Organisations that prioritise philanthropic CSR activities demonstrate a positive impact on their sustainable performance (Abbas & Dogan, 2022; Allui & Pinto, 2022). Philanthropic initiatives contribute to CSR's social and environmental dimensions, fostering long-term competitiveness and enhancing sustainable corporate performance (Wickert, 2021; Wong & Dhanesh, 2017).

Philanthropic CSR alone does not guarantee improved organisational performance. Sustainable corporate performance growth is achieved through the interaction of CSR elements. Firms align their social, economic, and environmental investments when markets and demand expand, creating stakeholder value (Kaplan & McMillan, 2020). Investment in CSR activities is necessary for the success resulting from stakeholder cooperation.

1.1. Implications for Zimbabwe's Service-Based Sector

This literature review offers valuable insights for businesses in Zimbabwe's service-based industry. The empirical findings highlight the importance of environmental and philanthropic factors in enhancing long-term competitiveness and sustainable corporate performance. Organisations can improve their sustainable business practises by effectively managing CSR operations and tailoring their social engagement strategies to local surroundings and specific company situations (Abdelmoety et al., 2021; Liqi et al., 2022).

Further, this literature review emphasises the importance of philanthropic CSR in promoting sustainable business practises, specifically in Zimbabwe's service-based sector.

Philanthropic CSR plays a vital role in the connection between CSR and SCP. Philanthropic initiatives contribute positively to sustainable corporate performance, but sustainable performance growth is achieved through the interaction of various CSR elements. Understanding the motivations, challenges, and strategies associated with CSR in Zimbabwe can help organisations effectively implement CSR initiatives and contribute to sustainable development in the country's service sector.

In a study by [Nhavira \(2019\)](#), the author investigated the CSR practises within a service-based educational institution. The analysis examined the institution's involvement in education, community development, and environmental sustainability projects. In their study conducted in 2023, [Zishiri and Chindondondo](#) examined the correlation between CSR and customer loyalty within financial service-oriented organisations. Their findings revealed that involving customers in CSR initiatives can cultivate a shared sense of ownership and ultimately enhance customer loyalty. In their study, [Simon et al. \(2022\)](#) examined the various factors that impact CSR within Zimbabwean enterprises listed on the Zimbabwe Stock Exchange. The researchers identified a gap in knowledge concerning the factors that drive CSR practices. This highlights the necessity for additional research and guidance on effectively implementing CSR initiatives.

Additionally, the study conducted by [Moyo et al. \(2022\)](#) reveals that Zimbabwean enterprises exhibit limited awareness and comprehension regarding the potential advantages of CSR. The researchers interviewed managers and employees from various service sector enterprises in Zimbabwe, encompassing the banking, telecommunications, and hospitality industries. According to the research conducted by [Moyo et al. \(2022\)](#), the study's results indicated that Zimbabwean service sector enterprises were primarily driven to engage in CSR activities due to reputation enhancement, stakeholder pressure, and compliance with legal requirements.

The studies conducted in Zimbabwe by [Moyo et al. \(2022\)](#), [Simon et al. \(2022\)](#), and [Makwara et al. \(2019\)](#) have identified a lack of attention towards CSR. This lack of attention may impede the involvement of the service sector in CSR activities. In addition, prior studies have demonstrated a positive correlation between CSR and SCP ([McWilliams & Siegel, 2001](#)). The current literature has explored the positive relationship between CSR and SCP. However, a dearth of research focuses on Zimbabwe's service sector's motivations, challenges, and strategies when engaging in CSR activities. The research gap emphasises the necessity of investigating the factors, obstacles, and approaches to Zimbabwe's service sector in the context of the environmental, social, and governance (ESG) framework.

By offering empirical proof of the direct and mediating links between ECR, ETR, ENR, PHR, and SCP within

Zimbabwe's service-based company sector, this study adds to the body of current work. The findings provide valuable insights into the study's methods and results, highlighting the importance of these concepts in influencing sustainable corporate performance. Hence, the investigation is guided by the subsequent research questions:

- RQ1: Economic responsibility (ECR) and sustainable corporate performance (SCP) refer to the connection and interdependence between a company's financial obligations and its social and environmental impact.
- RQ2: The relationship between ethical responsibility (ETR) and sustainable corporate performance (SCP) refers to the connection or correlation between the moral obligations of a company and its overall social impact and behaviour.
- RQ3: The relationship between environmental responsibility (ENR) and sustainable corporate performance (SCP) refers to the connection and interdependence between a company's commitment to environmental sustainability and its overall social impact and performance.
- RQ4: What is the function of philanthropic corporate social responsibility (PHR) in mediating the relationship between CSR's three dimensions of economic, ethical, and environmental responsibilities and sustainable corporate performance (SCP)?

2. Theoretical basis

The application of CSR and SCP can be better understood through the Legitimacy theory proposed by [Suchman \(1995\)](#). Organizations participate in CSR practices to uphold their social license to operate and fulfil societal expectations. Companies aim to improve their legitimacy and address potential challenges to their legitimacy by ensuring that their actions are in line with the norms and values of society. CSR initiatives function as a means for organizations to showcase their dedication to ethical business practices, strengthening their credibility among stakeholders.

Stakeholder theory places considerable importance on considering stakeholders' varied perspectives and needs. This aligns with the multidimensional nature of CSR and SCP. Legitimacy theory complements stakeholder theory by emphasizing the significance of upholding a favorable societal perception through implementing CSR practices. Companies can enhance their legitimacy and build trust by addressing stakeholder expectations and concerns ([Suchman, 1995](#); [Freeman, 1984](#)).

[Freeman \(1984\)](#) proposed stakeholder theory, which emphasizes the significance of considering the interests of all stakeholders rather than solely focusing on shareholders. Stakeholders, including customers, employees, local communities, and environmentalists, are significant in

assessing service-based enterprises' social and environmental performance (Florini & Saleem, 2011). Florini and Saleem suggest a divergence in priorities between environmentalists and local community organizations on the one hand and shareholders on the other, regarding the emphasis placed on SCP's ecological and economic dimensions, respectively. Therefore, evaluating stakeholder satisfaction thoroughly, including environmental and economic indicators, is imperative.

The triple bottom line theory strongly correlates with the environmental and social dimensions of ESG and SCP. Elkington (1997) argues that companies should assess their performance by considering economic, social, and environmental indicators. This approach allows for a more comprehensive evaluation of value creation. The concept of a holistic approach aligns with the idea that CSR initiatives can yield enduring competitive advantages by developing intangible assets such as reputation and brand image. This, in turn, can positively impact the organization's overall performance (Coelho et al., 2023).

2.1. Corporate social responsibility

CSR involves minimizing negative impacts on stakeholders while maximizing positive effects, emphasizing environmental stewardship, upholding human rights, and practicing good corporate governance (Kamal, 2021). Effective communication is crucial in CSR initiatives, facilitating transparency and stakeholder engagement (Viererbl & Koch, 2022; Morsing & Schultz, 2006). The COVID-19 pandemic has highlighted the need for resilient and adaptive CSR practices (Magrizos & Harris, 2023), while research has shown a positive relationship between CSR and organizational performance (De et al., 2023). It encompasses economic responsibilities, such as generating profits and providing returns to shareholders. Legal obligations, including compliance with laws and regulations. Ethical responsibilities include conducting business ethically and responsibly, and philanthropic responsibilities involve giving back to society (Carroll, 2021).

CSR encompasses a range of responsibilities that businesses are expected to fulfil. These obligations extend beyond the traditional focus on profit-making and encompass social, environmental, and ethical considerations. In today's globalized and interconnected world, businesses are increasingly held accountable for their actions and expected to contribute positively to society and the environment. CSR involves taking into account Carroll's (2021) interests and presents a pyramid model of corporate social responsibility, which outlines four primary duties: financial, legal, moral, and charitable commitments. According to Fernando (2022), businesses that assume these responsibilities can contribute to society and demonstrate a track record of growth. Corporate decision-makers should always consider the corporate and social descriptors of the acronym CSR (Richter & Arndt, 2018).

CSR is a crucial aspect that businesses must prioritise.

This responsibility extends to both internal and external structures within the organisation. To align their objectives with societal welfare and internal equity, companies must ensure their goals are in harmony with the common good and fairness. Businesses must meet external stakeholders' and interest groups' needs and expectations (Cheeseman, 2019). Companies have a dual responsibility to both society and the law. They are ethically obligated to act in a manner that benefits society while being legally required to comply with the regulations of the countries in which they operate (Cheeseman, 2019).

Previously, business decisions were primarily based on cost-benefit analyses, with a strong emphasis on financial outcomes. CSR requires companies to carefully evaluate the potential consequences of their decisions on various stakeholders (Cheeseman, 2019). CSR is a concept that encompasses multiple aspects, including moral decision-making, societal enhancement, and environmental impact reduction (Richter & Arndt, 2018). It involves a commitment to being a responsible corporate citizen. Service-based enterprises have the opportunity to promote environmental sustainability through various strategies. These strategies include implementing energy-efficient technologies, reducing waste, adopting renewable energy sources, and practicing eco-friendly methods (Lu et al., 2023; Ren et al., 2022).

Employee well-being is an essential aspect of organizational success. Employees are likelier to be engaged, productive, and satisfied when well cared for. In turn, The well-being of employees is crucial for their satisfaction, productivity, and retention. This can be achieved by providing a safe work environment, competitive wages, work-life balance, and development opportunities (Florini & Saleem, 2011; Coelho et al., 2023). Community development is essential for companies as it allows them to contribute positively to various areas such as education, healthcare, and infrastructure. By engaging in partnerships with local businesses, companies can enhance their social reputation and build stronger relationships within the community (Freeman, 1984; Florini & Saleem, 2011).

Ethical sourcing involves implementing fair labor practices, environmental sustainability, and honest business conduct in the supply chain. This view is achieved through the careful evaluation of suppliers and the establishment of codes of conduct. By engaging in due diligence on suppliers and adhering to these codes, companies can enhance their relationships with suppliers and improve their brand reputation (Coelho et al., 2023; Ren et al., 2022). Florini and Saleem (2011) argue that responsible marketing involves honest, transparent, and ethical customer communication, which develops trust, loyalty, and a positive brand reputation.

Philanthropy, which encompasses donations, volunteer efforts, and support for charitable causes, has been shown to have a positive impact on communities, reputation, and

stakeholder relationships (Porter & Kramer, 2002; Carroll & Shabana, 2010).

2.2. Economic Responsibilities of CSR and Sustainable Corporate Performance

The case for ECR has generated debate among researchers and stakeholders. While some studies show a positive impact of ECR on service level quality, others disagree (Aboud & Yang, 2022; Chen McCain et al., 2019; Park & Kim, 2018; Carroll & Shabana, 2010). The relationship between ECR and service level quality remains questionable and requires further investigation (Kim et al., 2017; Chen McCain et al., 2018).

Implementing CSR initiatives, including ECR, can create shareholder value by advocating for various stakeholders' interests (Gul et al., 2020). Previous research has consistently shown a positive relationship between CSR and organizational performance (Fatemi & Dube, 2021; Fatemi et al., 2018; Fatemi et al., 2015). However, Bhandari and Bhuyan (2022) suggest that CSR engagement may lead to reduced efficiency in capital allocation.

Thus, this study considers ECR aims to achieve three key objectives: financial profits (FPRO), employment creation (ECT), and economic investment (EIV). FPRO prioritizes attaining profit objectives, whereas ECT emphasizes generating employment opportunities within communities. EIV entails the provision of superior products and services to customers. Various studies (Asiaei et al., 2023; Islam et al., 2021; Kaplan & McMillan, 2020) support these objectives. Therefore, ECR is a type of CSR that businesses can use to achieve their profit objectives while giving back to the community. It involves various initiatives to support local communities, reduce environmental impact, and make investment decisions. The effect of ECR on service level quality and its relationship with financial stability and customer loyalty are subjects of debate.

2.3. Ethical Responsibilities of CSR and Sustainable Corporate Performance (SCP)

Different scholars have defined ETR in various ways. Some view it as businesses' observance of moral etiquette in all their operations (Wickert, 2021; Russo, 2016). Others emphasize the importance of companies ensuring that their products' materials, labor, and components meet acceptable standards, such as avoiding child labor and ethical violations (Belas et al., 2022).

ETR applies to all business and society stakeholders, including employers, suppliers, employees, investors, government, and customers (Aboud & Yang, 2022). It comprises trust, trustworthiness, and cooperativeness (Asiaei et al., 2021).

Businesses use ETR to build their ethical brand identity by supporting corporate social responsibility (CSR) projects that align with their beliefs (Wong & Dhanesh, 2017). They aim to demonstrate that their CSR activities are significant, impactful, and aligned with their principles, appealing to

socially and ecologically conscious consumers (Belas et al., 2022).

Fair labor practices, environmental sustainability, and honest business conduct in the supply chain are guaranteed by ethical sourcing practices. Service-oriented businesses can create behavior codes and perform due diligence on suppliers (Coelho et al., 2023; Ren et al., 2022). According to studies, ethical sourcing can strengthen ties with suppliers, lower supply chain risks, and boost a company's reputation (Miandar et al., 2023; Pagell et al., 2010).

Taking care of employees' well-being is a crucial aspect of CSR. Businesses can offer competitive pay and benefits, a safe and healthy work environment, opportunities for training and development, and a work-life balance (Florini & Saleem, 2011; Coelho et al., 2023). Studies have indicated that programmes promoting employee well-being have a favorable impact on worker satisfaction, output, and retention (Allen et al., 2017; Jiang et al., 2021).

Service-based businesses can foster community development by funding neighborhood infrastructure projects, collaborating with nearby companies, and supporting regional healthcare and education initiatives (Freeman, 1984; Florini & Saleem, 2011). Research has demonstrated that community development programmes can improve a business's standing and relationships with residents (Brammer et al., 2012; Pelozo & Shang, 2011).

2.4. Environmental Responsibilities of CSR and Sustainable Corporate Performance

Businesses should implement measures to reduce pollution in production processes, greenhouse gas emissions, single-use plastic consumption, water consumption, and communal waste (Baah et al., 2021). Companies can support renewable energy, sustainable resources, and recyclable materials by conducting ENR assessments. This approach can lead to a reduction in waste disposal. Chung and Huang (2018) discovered that companies prioritizing environmental and natural resources also tend to implement green management practices.

Engaging in ENR practices can yield significant advantages for companies. The notion of ENR comprises mitigating pollution (ROP) and compliance with regulations related to occupational hazards, health, safety, and hygiene practices. Research conducted by Asiaei et al. (2023) and Islam et al. (2021) has demonstrated that the adoption of recyclable materials (RWD) initiatives has a positive impact on reducing greenhouse gas emissions and waste production while also facilitating the recycling of materials. This strategy comprises the improvement of their standing and economic benefits, particularly in cases when the expenses associated with emissions reduction are comparatively minimal (Aboud & Yang, 2022; Baah et al., 2021). The existing body of literature indicates that organizations contemplating the implementation of CSR priorities corporate legitimacy and the generation of stakeholder value.

2.5. Philanthropic Responsibilities of CSR and Sustainable Corporate Performance (SCP)

Recent research by Zhong et al. (2022) and Randrianasolo & Semenov (2022) found that many businesses focus a significant portion of their CSR efforts on philanthropic contributions. Organizations can choose between conditional and unconditional approaches when implementing a personal health record (PHR) based on their desired outcomes in exchange for donations. Service-based businesses can foster community development by funding neighborhood infrastructure projects, collaborating with nearby companies, and supporting regional healthcare and education initiatives (Freeman, 1984; Florini & Saleem, 2011). Research has demonstrated that community development programmes can improve a business's standing and relationships with residents (Brammer et al., 2012; Pelozo & Shang, 2011).

Furthermore, the implementation of philanthropy is a discretionary activity carried out by managers. Responsible business management involves effectively managing social, economic, and environmental capital and impact across various actions and functions. It aims to achieve SCP, which goes beyond charity and includes improving sustainable competitiveness and cultivating positive attitudes towards a business's brand or products among critical stakeholders (Zhong et al., 2022; Elkington & van Dijk, 2017; Carroll & Shabana, 2010).

Philanthropic responsibility (PHR) refers to the voluntary efforts undertaken by individuals or organizations to enhance social assets. These efforts typically involve active participation in various social projects to benefit the community, such as sponsorships and charitable initiatives (Asiaei et al., 2023; Islam et al., 2021; Rust et al., 2002; Zeithaml, 1988). The financial assistance donations (FAD) Fund supports programmes aimed at safeguarding and enhancing the natural environment, as documented by

Asiaei et al. (2023) and Islam et al. (2021). The study conducted by Asiaei et al. (2023) and Islam et al. (2021) highlights the significance of indirect affiliation with social enterprises (IAB) in cultivating commercial ties with suppliers within the same region. In Zimbabwe, service-based enterprises may exhibit a positive relationship between philanthropic obligations and the overall legitimacy of their corporate presence within the community.

2.6. ECR, ETR, and ENR components of CSR and PHR

The literature indicates a growing consensus that philanthropic responsibility is not solely an act of goodwill but rather a duty and commitment of business organisations (Achmad, 2022; Randrianasolo & Semenov, 2022; Zhong et al., 2022). The perception of this responsibility is rooted in the desire to prevent stagnation and ensure companies' continued prosperity and growth (Kaplan & McMillan, 2020; Eveland et al., 2018). Based on the argument that CSR is more charitable.

The literature review assumes that PHR mediates between CSR (ECR, ETR, ENR) factors and SCP. (Zhong et al., 2022; Elkington & van Dijk, 2017; Carroll & Shabana, 2010).

Thus, the following three mediating hypothesis statements were added to the research test model in the Mapokotera et al. (2023) study:

H8: Zimbabwe's service-based industry enterprises adopt a positive mediating of the PHR relationship between the ECR and SCP.

H9: Zimbabwe's service-based industry enterprises adopt a positive mediating of the PHR relationship between the ETR and SCP.

H10: Zimbabwe's service-based industry enterprises adopt a positive relationship mediating the PHR relationship between the ENR and SCP.

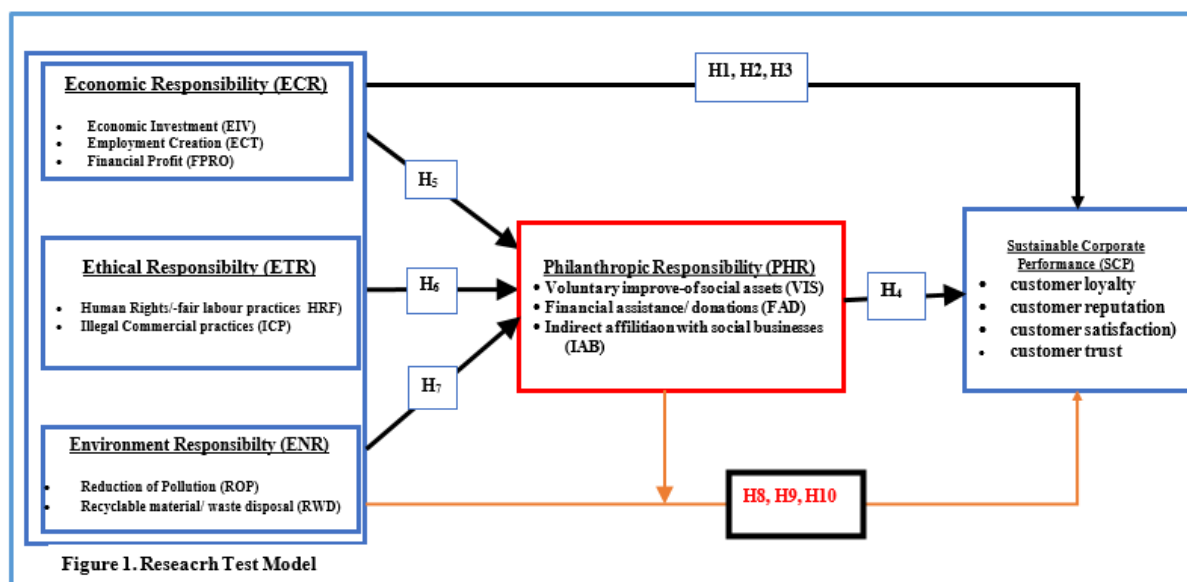


Figure 1. Research Test Model

basis for developing the study's research test model, Figure 1 above:

- H1. Zimbabwe's service-based industry enterprises adopt a positive relationship between the economic responsibilities of CSR and sustainable corporate performance (SCP).
- H2. Zimbabwe's service-based industry enterprises adopt a positive relationship between the ethical responsibilities of CSR and sustainable corporate performance (SCP) as a whole entity.
- H3. Zimbabwe's service-based industry enterprises adopt a positive relationship between the environmental responsibilities of CSR and sustainable corporate performance (SCP).
- H4. Zimbabwe's service-based industry enterprises adopt a positive relationship between philanthropic responsibilities of CSR and sustainable corporate performance (SCP).
- H5: Zimbabwe's service-based industry enterprises adopt a positive relationship between the ECR and PHR.
- H6: Zimbabwe's service-based industry enterprises adopt a positive relationship between ETR and PHR.
- H7: Zimbabwe's service-based industry enterprises adopt a positive relationship between ENR and PHR.

3. Methods and Data

Quantitative approaches, particularly surveys, are favoured among strategic management researchers (Graebner et al., 2023; Lee & Mangalaraj, 2022). Surveys prove valuable in examining social and behavioural phenomena when certain behaviours cannot be observed in realistic settings (Drouhot et al., 2023; Leedy & Ormrod, 2015). The researchers utilised quantitative methods and a cross-sectional design to investigate the perceptions of responsible management for sustainable performance among service-based businesses in Harare. The sample size was determined with a 95% confidence level and a 5% error margin (Mataruka, 2022; Mohamed & Saad, 2022). Sarker and AL-Muaalemi (2022) argue that social scientists find these percentages appropriate, with the research population consisting of managers from qualifying businesses in Harare.

Regarding sampling technique and data collection, the researchers employed probability-based stratified sampling for the online survey's sample size determination. The Harare LinkedIn page directory served as the sampling frame, offering a comprehensive list of businesses in the Harare province. The selection criteria aimed to maximise statistical efficiency and gather sufficient data to explore various population subgroups (Sarker & AL-Muaalemi, 2022). Electronic questionnaires were distributed to approximately 1,050 managers in the service-based sector, resulting in 683 completed surveys—a 65% response rate. However, 33 cases were deemed incomplete due to exceeding 5% missing data and failure to meet study requirements. The analysis focused on 650 usable completed questionnaires, yielding an effective response rate of 62%.

The response rate aligns with other studies, such as Mataruka's (2022) study, which utilised 983 out of 1,117 respondents. For their speed, simplicity, and cost-effectiveness, online surveys are frequently employed in contemporary research (Mataruka et al., 2023; Mataruka, 2022; Manfreda et al., 2008). This method also minimises data collection time (Dutot & Bergeron, 2016). Hair and Alamer (2022) support the applicability of the findings to a broader population, evidenced by an 88% response rate.

The study explores the influence of senior management's decision-making and attitudes toward responsible management on corporate social responsibility's sustainable corporate performance. Harare-based companies operate in eleven critical industrial sectors in Zimbabwe, suggesting an overall recognition of a manager's social business orientation in strategic business performance. The sampling frame purposefully targeted individuals from service-based businesses already involved in corporate social operations (Sharma et al., 2020). Systematic random selection within strata-specific activities aimed to overcome cross-sectional data limitations. The study specifically targeted managers in corporate service affairs managerial positions, considering them critical decision-makers in corporate social responsibility (Yaseen et al., 2022). The unit of analysis was managers from service-based businesses, and their collective perception informed the study.

In this context, participants from Zimbabwe's service-based enterprises were better positioned to provide the required information. Potential survey participants were informed of the study's goals and assured of confidentiality (Memon et al., 2023). Following Sarker and AL-Muaalemi's (2022) recommendation, assistance instructions were offered. Researchers communicated with potential respondents via e-mail, popular social media platforms like WhatsApp and LinkedIn, and occasionally through mobile telephone. The survey package included a cover letter in the questionnaires, clearly stating the study's purpose and emphasising the importance of senior managers' participation. Confidentiality of responses was maintained throughout the research process, and respondents could receive a summary of the survey feedback results. Reminder e-mails and phone calls were employed to ensure a satisfactory response rate during data collection.

The research utilised cross-sectional data gathered through an online questionnaire completed by corporate service managers representing companies in Harare. Smart-Partial Least Squares (PLS) Version 4.0 and structural equation modelling (SEM) served as the statistical analysis methods, employing the study model diagnosis to determine the dataset's structure. Raykov and Traynor (2016) caution against using regression for similar statistical data analysis, as it may not detect measurement errors and could potentially inflate results. Therefore, SEM was deemed suitable due to its ability to assess correlations between variables.

In structural equation modelling (SEM), researchers employed covariance matrices to compare hypotheses with data, formulate, identify, estimate, assess model fit, modify models, and report results (Mataruka et al., 2023; Mataruka, 2022; Muzurura & Mutambara, 2022). The model minimisation process in the PLS-SEM data analysis involved fifteen iterations. Confirmatory factor analysis (CFA) was conducted before testing hypotheses, determining variables' structure, convergent and discriminant characteristics, and construct validity. Drawing from Elrehail et al. (2023) and Hair and Alamer (2022), structural equation modelling (SEM) aided in identifying relevant associations, including the mediation of the philanthropic responsibility (PHR) dimension of CSR in this cross-sectional study. Hair and Alamer (2022) emphasised that SEM is beneficial for assessing complex models with mediators or moderators, a sentiment echoed by Mataruka et al. (2023), Mataruka (2022), and Muzurura & Mutambara (2022), who found acceptable results in previous studies using this method.

The researchers opted for SmartPLS-SEM to analyze and present the data in this study, employing statistical techniques to explore the relationship between CSR and SCP.

4. Results

Demographic information for the 650 respondents reveals that the age group with the highest representation consists of individuals aged 36-45 years and 46-55 years, closely followed by those in the 36-45 age range. Conversely, individuals below 25 years and those above 55 years are relatively fewer in number. Among the respondents, 75% are men, with a majority holding positions as owners, executives, and managers. This demographic profile suggests that decision-makers are typically younger and well-educated, potentially more attuned to developments in sustainability matters and beyond.

Table 1 presents the descriptive statistics of the participants' demographic information: age, gender, position and experience.

	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 findings highlight a gender gap, with females comprising 22.9% of the respondents. This distribution indicates a higher percentage of males, presenting an

acceptable gender mix reflective of their presence in senior positions (ZimStats, 2023). Consequently, women appear to have a stronger sense of social duty than men, and their inclusion reinforces the results' credibility and impartiality. See Table 2 below.

Table 2: 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

Organizational positions consisted of chief financial officers (CFOs) at 36.8%, senior operational managers in critical departments at 44.9%, and other executive officers at 18.3%. This distribution aligns with the typical demographics of company owners and managers in Zimbabwe, particularly in the Harare District. Senior managers, comprising 44.9% of the positions, form the majority, followed by corporate services managers at 36.8% and executive functions at 18.3%.

In Table 2, which details educational qualifications, the largest segment comprises individuals with undergraduate degrees, representing 39.5% of the population. The second-largest group includes individuals with a Master's degree, followed by diploma/professional skilled artisans, constituting 29.4% and 17.5% of the target population, respectively. Other qualifications, including Advanced secondary school level, PhD, and unspecified qualifications, make up 4.8%, 3.7%, and 5.1% of the sample, respectively.

Moreover, 55.6% of respondents reported having work experience exceeding five years in their positions, collectively amassing fifty-six years of experience in the companies. Similarly, 55.6% of the managerial level with six years or more of experience suggests that decision-makers in corporate settings, who are cognizant of issues related to responsible management, possess knowledge about their organizations' social business initiatives, historical patterns, and expected trends. This observation implies that, concerning the UN Sustainable Development Goals

Agenda 2030, the respondents may be more informed about corporate changes in their sector and beyond.

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. Table 3 presents the PLS results for the structural model's hypothesised relationships, as reported by Mapokotera et al. (2023).

Table 3: 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
H5	ENR -> PHR	0.081	0.027	3.024	0.003	Supported
H6	ETR -> PHR	0.533	0.028	19.199	0.000	Supported
H7	ECR -> PHR	0.341	0.033	10.357	0.000	Supported

Both philanthropical and environmental constructs were substantial at $p < 0.01$. The results in Table 3 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. Based on these criteria, the results showed that only philanthropic (PHR) and environmental (ENR) constructs were significant in influencing sustainable corporate performance (SCP), explaining 0.415 and 0.256 per unit in SCP, respectively.

Based on the notion that PHR is the essential driver for CSR, Table 3 presents SEM results relating ECR, ETR, and ENR with PHR—the exact relationship's hypothesis testing with PHR as a mediating factor among its relative CSR counterparts in H5, H6, and H7. The results in Table 3 show that ECR had a significant positive effect on PHR ($\beta = 0.341, t = 10.357, p < 0.001$), ETR had a significant positive

impact on PHR ($\beta = 0.533, t = 19.199, p < 0.001$). ENR positively affected PHR ($\beta = 0.081, t = 3.024, p = 0.003$). The results suggest that H5, H6, and H7 are supported.

Mediating effect

Figure 2 presents the mediating effect of CSR philanthropic responsibility between CSR dimensions of economic, ethical, and environmental responsibilities and SCP.

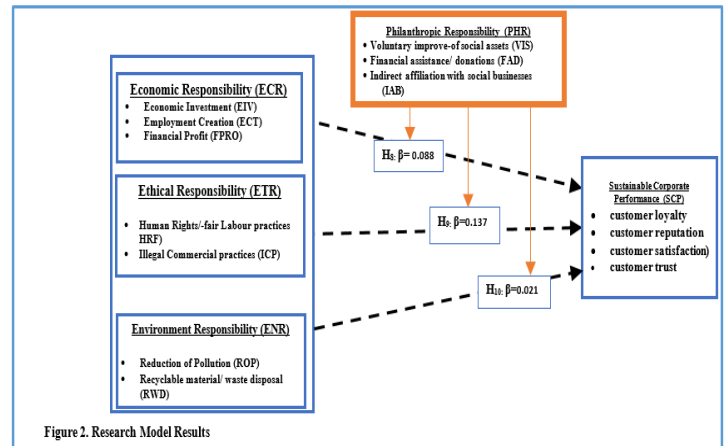


Table 4 presents the results of the mediation hypotheses H8, H9, and H10, which examine the significance of both the direct and indirect effects. The mediation investigation utilised a 95% confidence interval (CI) and 5000 bootstrapping samples.

Table 4: PHR Mediating Effects and ECR, ETR, and ENR on SCP

Hypothesis	Relationship	Coefficient				CI-Bias-corrected	
		Beta (β)	SE	T	P-value	2.50%	97.50%
H8	ECR -> PHR -> SCP	0.088	0.022	4.032	0.000	0.050	0.135
H9	ETR -> PHR -> SCP	0.137	0.032	4.337	0.000	0.077	0.198
H10	ENR -> PHR -> SCP	0.021	0.009	2.416	0.016	0.007	0.041

The study found that PHR significantly mediates the relationship between ECR and SCP, as indicated by the p-value below the recommended value of 0.05 in addition to the 95% confidence interval (CI) excluding zero. Therefore, hypotheses H8, H9, and H10 are all supported.

5. Discussion

The impact of CSR on SCP varies depending on specific circumstances. This study uncovered a limited correlation between CSR and SCP in Zimbabwe's service-based industry. The minimal influence of CSR may be attributed to organizations adopting it in response to societal pressure rather than strategically integrating it into their overarching business strategy, as indicated by Zhang and Yi (2022). It is

suggested that managers' perceptions of CSR's impact on business growth might be based on assumptions rather than verified facts.

Stakeholders in this study expressed divergent opinions regarding the influence of CSR initiatives on their perceptions of the company. While some believed that CSR positively affected SCP, others attributed SCP to customer loyalty, reputation, and trust. The research highlighted that businesses in this sector implemented various CSR initiatives focused on economic, environmental, and community development.

5.1. Economical, Ethical, Environmental and Philanthropic CSR Initiatives and SCP

The results of the paper (Mapokotera et al., 2023) from the hypothesis testing suggest that economic constructs, specifically economic responsibility (ECR), do not significantly influence SCP. This discovery aligns with earlier studies by Zhong et al. (2022) and Dlamini and Mavengere (2019), indicating a negative correlation between ECR and SCP, particularly within private firms.

Given the absence of a statistically significant impact of ethical constructs on SCP, businesses are cautioned against relying solely on moral obligations associated with corporate social responsibility (CSR) practices to enhance their overall performance.

The study's outcomes reveal a noteworthy influence of environmental constructs on SCP. This outcome is consistent with prior research indicating that customers expect businesses to acknowledge and address their environmental impact through sustainable practices. A growing societal demand emphasizes the need for companies to adopt environmentally friendly approaches and actively participate in community development, as noted by Baah et al. (2021).

The results of the hypothesis testing criteria suggest a significant impact of philanthropic constructs (PHR) on SCP. Dlamini and Mavengere (2019) argue that CSR in the service sector is more philanthropic rather than driven by marketing strategies. This current finding aligns with previous studies (Aboud & Yang, 2022; Abdelmoety et al., 2021; Al-Abdallah & Ahmed, 2018), which have consistently demonstrated the positive influence of corporate social responsibility (CSR) initiatives focused on community development on a company's brand reputation, ultimately contributing to the development of SCP.

5.2. PHR Mediating Effects and ECR, ETR, and ENR on SCP

The results indicate that PHR is a significant mediator in the relationship between ENR, SCP, ETR, and SCP. This result suggests that PHR is crucial in explaining the connection between these variables. Furthermore, the discussion on CSR and SCP highlights positive and negative implications. On the positive side, CSR allows businesses to

consider the welfare of various stakeholders and create a favorable image of the company (Abbas & Dogan, 2022; Allui & Pinto, 2022; Abdelmoety et al., 2021; Kaplan & McMillan, 2020). It also helps meet societal expectations and can be used as a competitive advantage (Wickert, 2021; Wong & Dhanesh, 2017; Lubin & Esty, 2010). However, CSR also comes with responsibilities, including economic, legal, ethical, and philanthropic aspects, which ensure compliance with the law, avoid harm to society, and contribute to community development (Liqi et al., 2022)]. We believe PHR is a necessary but insufficient requirement for long-term performance. PHR will not increase organizational performance on its own. The combination of CSR aspects results in long-term corporate performance growth, which promotes business growth. Firms only align their social, economic, and environmental investments when markets and demand develop owing to the generation of stakeholder value. Firms, conversely, must invest in CSR to achieve success due to stakeholder collaboration.

6. Conclusions and Implications

Corporate Social Responsibility within Zimbabwe's service-based enterprises includes environmental sustainability, employee well-being, community development, ethical sourcing, responsible marketing, and philanthropy. These dimensions play roles in various aspects of SCP, including reputation, employee satisfaction and productivity, community and supplier relationships, brand reputation, and stakeholder trust.

The correlation between CSR and SCP can be intricate and contingent on specific circumstances. The study identified a limited connection between CSR and SCP in Zimbabwe's service-based industry. The minimal impact of CSR may be attributed to organizations adopting it in response to societal pressure rather than strategically integrating it into their overall business strategy. Stakeholders exhibited diverse opinions regarding the impact of CSR initiatives on their perceptions of the company. Views on the influence of CSR on SCP varied, with some perceiving it as positive, while others attributed SCP to factors such as customer satisfaction and trust.

The research discovered that economic responsibility did not significantly influence SCP, whereas ethical and environmental responsibilities had a notable impact. Additionally, philanthropic commitment greatly affected both CSR and SCP. These findings underscore the importance of businesses not relying solely on moral obligations tied to CSR practices for performance improvement. Instead, they should consider factors such as operational efficiency, innovation, customer satisfaction, and aligning CSR initiatives with core values and brand image.

Incorporating environmental responsibility into business practices can have substantial comparative implications, and philanthropic CSR initiatives can positively influence a

company's brand reputation, contributing to sustainable corporate performance.

The study highlights the role of philanthropic CSR initiatives in mediating the relationship between different CSR constructs (economic, ethical, and environmental) and SCP. This finding emphasizes the significance of analyzing the interaction between various dimensions of CSR and their collective impact on performance. It is essential to recognize that relying solely on philanthropic CSR is insufficient for sustainable performance. Businesses should also invest in CSR elements that align with stakeholder cooperation and contribute to stakeholder value creation.

Implications

From the theoretical view, integrating theories enhances understanding of CSR and sustainable business practices to enhance SCP. The strategy promotes openness, responsibility, and a harmonious equilibrium between economic, social, and environmental considerations while also considering the needs and rights of all stakeholders. The fusion of these theories promotes a holistic understanding of CSR, considering its impact on the economy, environment, and society. This strategy acknowledges the significance of businesses in improving civilization and the environment. Integrating economic advancement and sustainability within organizations can enhance their long-term resilience and success. Organizations can ensure their operations are environmentally friendly and socially responsible by implementing sustainable practices. This process helps protect the planet and its resources while fostering a positive reputation among stakeholders.

Businesses can enhance their competitiveness by adopting innovative strategies and technologies that promote growth and profitability. By combining these aspects, organizations can create a strong foundation for long-term success. Integration involves balancing financial goals with a commitment to social and environmental issues. This approach ensures comprehensive consideration and resolution of all aspects. By integrating these elements, organizations can strive for sustainable development and long-term success. This approach acknowledges the interdependence of financial, social, and environmental

factors and aims to find solutions that benefit all stakeholders. Organizations can make more informed and responsible choices by considering the impact of economic decisions on social and environmental issues. Integrating financial goals with social and ecological concerns is crucial for a sustainable and equitable future.

Some studies have suggested that some firms have adopted CSR simply because everyone else in the industry was doing so, and they did not want to be left behind. The motives are less strategic engagement but event-specific. For example, it could be assistance in responding to a once-off natural disaster in a community. However, it is essential to note that these firms may not adequately consider the effective implementation of CSR principles, which could explain the absence of a significant correlation between economic responsibility (ECR) and ethical responsibility (ETR) and improved performance in this study. The study revealed similar findings to those of [Dlamini and Mavengere \(2019\)](#) in Zimbabwe: an insignificant negative relationship between CSR and financial performance.

The evidence suggests that adopting CSR has a limited impact on organizational performance due to a lack of research on the potential benefits of strategic CSR principles. Existing studies, including the cited ones, have yielded inconclusive findings similar to this research. This literature review highlights the significance of CSR dimensions and their implications for SCP in Zimbabwe, offering valuable insights for practitioners and policymakers. Service-based enterprises can achieve long-term competitive advantage by implementing CSR initiatives that align with these dimensions. Thus enhancing their social and environmental performance and strengthening stakeholder relationships. Additional research is required to investigate the unique dynamics and challenges of implementing CSR in Zimbabwe's service-based enterprises sector.

To public policy implications, however, government penalties can discourage businesses from neglecting their CSR obligations. The government can ensure enterprises prioritize their social and environmental commitments by implementing fines, sanctions, or legal consequences for non-compliance with CSR regulations. Penalties can create a fair business environment by discouraging unethical practices and promoting responsible behavior.

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Author Contributions

This article's authors carried out the same tasks concerning the study. Specific areas were: background concept and theoretical frame (Mapokotera & Mataruka), updating and editing original background (Činčalová & Mkumbuzi); Methodology (Činčalová, Mkumbuzi & Muzurura), data collection and entry (Mataruka & Mapokotera), and data analysis (Mataruka & Muzurura) and discussion of results (Činčalová, Mataruka, Muzurura, & Mkumbuzi).

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Ethical considerations

The article followed all ethical standards appropriate for this kind of research

Disclaimer

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