


Corporate social responsibility in state-owned enterprises: Zimbabwe Revenue Authority

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Background: Organisations contribute to a stable environment through corporate social responsibility (CSR). For an organisation to be viable, it has to fulfil the needs of all its stakeholders. The function of state-owned enterprises (SOEs) is not profit-making but providing goods and services and accomplishing public policy objectives. State-owned enterprises demand consideration in the current economic climate because they represent an important part of the economies of many countries. Stakeholders in SOEs have a complex relationship. This article seeks to examine how Zimbabwe Revenue Authority (ZIMRA) is implementing its CSR activities.

Aim: Understand how managers in SOEs treat their stakeholders in CSR implementation.

Setting: The research was done in the ZIMRA, a parastatal operating in Zimbabwe.

Methods: Qualitative research was used where in-depth interviews were conducted with ZIMRA managers to analyse their understanding of CSR and how they are implementing CSR.

Results: Zimbabwe Revenue Authority understands what CSR is and what it involves; however, the organisation does not have a plan that involves all their stakeholders. This may lead to a negative impact on stakeholder perception and organisation's reputation. Zimbabwe Revenue Authority's employees fund their CSR making them more important and therefore should be considered in decision-making.

Conclusion: It is imperative for ZIMRA to have a CSR approach which involves their stakeholders in CSR implementation. The funding of the CSR policy is also unsustainable and the organisation should consider including other funding strategies. It is vital for an organisation to do a stakeholder mapping so that they better understand their stakeholders.

Contribution: The article recommends the best ways in which SOEs can contribute to communities through CSR.

Keywords: corporate social responsibility; state-owned enterprises; stakeholders; Zimbabwe Revenue Authority; community; managers; sustainable; funding.

Introduction

Business has been receiving pressure not only to consider their financial sustainability but also to reflect on the social and environmental impacts of their activities. Organisations are now accountable for how their operations affect the environment and society (Bhagwat 2011). Organisations contribute to a steady environment that leads to an anticipated climate for investment and trade through corporate social responsibility (CSR). Through CSR, organisations display a human face that understands the social needs of communities and strives to contribute in meeting those needs. Traditional CSR, where it is believed that the only responsibility of an organisation is to meet its shareholders' needs, is becoming unpopular. For an organisation to be viable, it has to fulfil the expectations of all its stakeholders (Stifutang 2013; Hopkins 2016).

The research presents an investigation of CSR in state-owned enterprises (SOEs), with a particular focus on the Zimbabwe Revenue Authority (ZIMRA). The organisation was established through an *Act of Parliament* to collect revenue on behalf of Zimbabwe's government. It derives its mandate from the *Revenue Authority Act of 2002* and other legislations. According to the legislation, ZIMRA was established as a parastatal, which was meant to be independent of the government in its operations. However, this is not the situation on the ground as the state still controls Zimbabwean parastatals. This is clearly shown in the auditor-general's reports, where parastatals and SOEs are

grouped together. During the period 2009–2013 when Zimbabwe had a government of national unity, they had a ministry responsible for state enterprises and parastatals, and these are governed and controlled using the same legislation, at least in Zimbabwe.

In this type of organisation, there is normally a conflict between public and private interests, given that the public is both the shareholder and a user of an organisation's products or services (OECD 2014). State-owned enterprises constitute an important sector in different countries, and their response to existing and future challenges can greatly influence the development (not only economic growth) of many regions on the planet. State-owned enterprises are one of the pillars of a country's economy because their activities have an impact on all facets of the economy (Hariyani et al. 2022). Zimbabwe is going through a decades-long multifaceted crisis that has dampened private sector activity, and SOEs are some of the few organisations that are thriving. Therefore, we want to analyse how they contribute to the socioeconomic conditions of the country over and above the mandated revenue collection.

The purpose of this research is to understand how ZIMRA is implementing its CSR activities and the involvement of stakeholders in CSR implementation.

Defining corporate social responsibility

With a history spanning more than 50 years, CSR is now a major issue on a global scale (Saiia, Carroll & Buchholtz 2003) and an everyday occurrence for businesses (Du et al. 2011), although there has never been a definition of CSR that is recognised everywhere. Corporate social responsibility and the idea of sustainable development both put an emphasis on social and environmental issues. Corporations operate in a social setting, and they should conduct responsibly as corporate citizens in the community in which they operate. Over and above following the law, businesses should respect the interests and beliefs of these communities. Corporate responsibility should be voluntary, according to Behringer and Szegedi (2016).

Currently, the main trend is CSR or sustainability. Given the necessity to maintain long-term success, CSR is becoming a crucial component of business strategies (Kolk 2016). The social agendas that utilities pursue go much beyond earlier worries about reputation. Corporate social responsibility gives businesses a chance and a resource to get a competitive edge (Stjepcevic & Siksnylyte 2017). Additionally, consumers are becoming more aware and involved when deciding which goods and services to purchase. These changes have led to a rise in CSR efforts across utilities and energy conglomerates over the past few decades. Among the businesses that have promoted CSR are oil and gas enterprises. This is due to the fact that their activities are associated with significant environmental harm, such as oil spills, and negatively affect nearby communities and the environment in which they live (Spence 2011).

There are several definitions of CSR, but they all place a heavy emphasis on stakeholder engagement (Gapare et al. 2014, Lantos 2001; Mullerat 2010) and what CSR activities should achieve (Dahlsrud 2008; Simelani & Chiroro 2013). Stakeholder view proponents characterise CSR as an organisation giving back to the community from which it benefits. Corporate social responsibility is defined as an organisation's business practices that are open and based on moral principles, legal compliance and respect for the community, the environment and other people (Moir 2001). In addition to maximising profits, businesses have a duty to positively affect society overall. According to Crother and Aras (2008), CSR is the interaction between an organisation and the community in which it operates. In order for a company to comprehend and freely address stakeholder issues in their daily operations, the European Union (EU) defines CSR as a concept that incorporates interaction between the company and stakeholders (European Union 2001).

Corporate social responsibility in state-owned enterprises

Most SOEs are described as non-profit organisations. Crowther and Aras (2008) describe government-related organisations as types of not-for-profit organisations. It has been agreed that for private organisations, CSR enhances the company image and therefore profit. However, in a not-for-profit (NFP) organisation, there is no profit-making, and it is important to understand the motivation for CSR in this type of organisation (Crowther & Aras 2008). State-owned enterprises have also been described as companies in which the government has significant or full control (OECD, 2014). Their function is not profit-making but providing service and accomplishing public policy objectives (Cunningham 2011). State-owned enterprise managers are responsible for CSR implementation and stakeholder engagement (Córdoba-Pachón et al. 2014; Wood 2010), and determining how managers interpret CSR could reveal their motivations on CSR decision-making (Córdoba-Pachón et al. 2014). According Maisuradze et al., (2020), CSR in SOEs is linked to the stakeholder and legitimacy theory mainly because of the involvement of many stakeholders in the SOEs who are more diverse and complex.

Legitimacy theory

This theory implies that there is a social contract between the society and the corporate where the corporate is expected to meet the expectations of the society (Fernando et al. 2014). The societal prospects are not static, and corporates need to be responsive to the fluctuations (Deegan 2002). Legitimacy theory is concerned with the relationship between a corporation and the society in which it operates (Khan 2021), where society is considered as a unit and not as individuals (Deegan 2009). The notion of legitimacy theory rests on the need to report on their activities as per perceived expectations from society (Deegan 2002; Fernando et al. 2014). Where there is a mismatch between societal expectations and corporate conduct, a legitimate gap will occur.

Scholars have recently been distinguishing between organisational legitimacy and societal legitimacy. Organisational legitimacy is described as the suitability of a business in the ecosystem of a social system as understood by individuals who observe and assess the business according to social models (Blanco-González et al., 2021; Deephouse & Zhang 2018). Societal legitimacy is described as the social recognition of a business and the expected customs and beliefs accepted in the community (Dowling & Pfeffer 1975; Vazquez et al. 2022). Legitimacy is therefore dynamic and changes as societal expectations change, and the organisation needs to accordingly change to maintain legitimacy. Business should understand the link between the perception of stakeholders on acceptable societal values and beliefs and the business' goods and services (Dowling & Pfeffer 1975; Steinbachova 2020). In the case of SOEs, both societal and organisational legitimacy are crucial as organisational legitimacy ensures that the business' activities align with expected societal norms and beliefs, while societal legitimacy helps society accept and value the company. In other words, organisational legitimacy helps the organisation to understand the activities valued by the community and will make the community accept them.

The challenge of the legitimacy theory, especially in a state-owned enterprise, is that its operations are already legitimised by the government as they are part of the organisation, and despite how the public may feel about the legitimacy of the organisation, they may not have an impact on the operations of the business.

Stakeholder theory

The theory is based on the idea that a corporation should take into account the interests of other groups in addition to shareholders when making decisions (Freeman 2004). Corporates are expected to involve their stakeholders in a variety of projects and activities in stakeholder management. The management is answerable to its stakeholders, and the interests of the stakeholders and those of the organisation overlap and intersect. Corporate social responsibility policies will subsequently be created using this knowledge (Lai Cheng & Ahmad 2010).

How a company handles its connection with its stakeholders is the main concept of stakeholder theory. An organisation must be aware of its stakeholders' identities and areas of interest in order to manage them (Looser & Wehrmeyer 2015). The stakeholder theory states that a corporation must satisfy or take into account internal stakeholders prior to external stakeholders. The public is the organisation's internal constituency in the context of SOEs. The public is represented by the government, yet there are some situations where the interests of the public and other stakeholders are more important.

Relationships with the public and other stakeholders should be prioritised because they are significant stakeholders in

SOEs. The general public should not only be aware of CSR programmes but also actively participate in them as they are a significant shareholder in SOEs. Understanding how to involve the public in CSR projects is vital for SOEs Maisuradze et. at., (2020).

Identifying the social duties of the company to all stakeholders is crucial for the efficient implementation of CSR in any enterprise, according to stakeholder theory (Pedersen, 2006). The implementation of CSR in such a company must be properly thought out, taking into account not only the company's social duty but also the demands and future prospects of stakeholders through effective stakeholder engagement (Jamali, 2008; Pedersen, 2006). An organisation can execute effective CSR by taking into account the interests of all those affected after conducting a thorough stakeholder mapping. In this regard, it is critical for managers in SOEs to have a thorough understanding of their stakeholders.

Because they are a significant component of the economies of many nations, state-owned enterprises (SOEs) deserve special scrutiny in the current economic environment (OECD 2014). According to a study done in Kenya, tax collection will increase when a revenue body engages in community development through CSR (Joanne 2018). One of the parastatals that is essential to the Zimbabwean economy is ZIMRA. The study will take ZIMRA's situation into account. It is crucial to examine stakeholder participation in SOEs because this industry is unique and rates different stakeholders differently.

Stakeholder engagement in state-owned enterprise

In SOEs, the government is one of the most important stakeholders as it acts as the shareholders and/or owners of the organisation. The government is represented by parliamentarians and other governmental departments mandated to monitor and supervise the activities of the organisation. It is the government's duty to ensure that SOEs act in the best interests of the public (Adam 2013).

The other groups of important stakeholders include employees and customers. In an SOE, just like in any other business, it is important for employees to have good morale so that they can provide services to customers. The satisfaction of customers is equally important for the success of the business (Kokemuller n.d.; OECD 2015). Even where an SOE has a monopoly market (sole provider of goods/services) (Wang 2021), it should always strive to provide quality services to maintain customer loyalty (Coşar, Yılmaz & Altındağ 2019). Stakeholder management is challenging in SOEs and more so in a monopoly enterprise, which most SOEs are. State-owned enterprises should focus on providing good service as they maintain positive relationships and good engagement with their stakeholders to understand their needs and expectations (Bao & Long 2021; Coşar et al. 2019). State-owned enterprises can maintain their public legitimacy if they operate in the public interest. The best way

to maintain this is through transparency and accountability in daily operations (Coşar et al. 2019).

An SOE that communicates effectively with stakeholders improves customer loyalty and brand recognition. This will improve reputation and create trust with the stakeholders (Zhang & Yang 2021). When tax payers perceive tax authorities as working for the good of the support, understanding, and sharing the same norms with the community, this creates an element of trust. Trust will lead to a positive brand name, resulting in voluntary compliance. Where trust exists, there is no need for complicated tax legislation as taxpayers perceive tax payment as a moral standard (Gangl, Hofmann & Kirchler 2015). Corporate social responsibility implementation helps the organisation to interact with the community, resulting in social inclusion (Werner 2009). State-owned enterprises are governed differently depending on how they are mandated in different countries. In Vietnam and other countries, they are governed by different governing units. These governing units indicate some important stakeholders (Bao & Long 2021). It would be important to look at how ZIMRA is governed to have a better understanding of some of its important stakeholders.

State-owned enterprise managers should prioritise their employees and customers (taxpayers) in CSR decisions as they are the primary stakeholders (Córdoba-Pachón et al. 2014). Stakeholders play different roles in CSR depending on their interests. They also have different degrees of influence depending on the CSR strategy of organisations and can support or undermine CSR implementation (Calabrese & Lancioni 2008). Corporate social responsibility practice is mainly determined by how the organisation prioritises its stakeholders (Calabrese & Lancioni 2008; Wood 2010).

Role of corporate social responsibility in an organisation

As previously explained, CSR plays an important role in community development. It is important for the private sector to become involved in solving the socioeconomic challenges of society. In Zimbabwe, because of the economic conditions, SOEs play an important role in the industry. In fact, SOEs are powerful actors in the economy in Zimbabwe. In SOEs, the government is an important stakeholder as they represent the stakeholders as well as the shareholders of the company (Córdoba et al. 2014; Ervits 2023). State-owned enterprises are regarded as vehicles for social and economic guidance for the government and other organisations through coercive isomorphism (Ervits 2023) and they have significant resources and therefore the ability to make a positive impact on society and contribute to sustainable development (Sameer 2021; Zhang, Gu & Wang 2022).

Corporate social responsibility also helps organisations to take note and attend to the needs of stakeholders as they are involved in the decision-making process of CSR strategies, which will lead to an environment where trust and good

relationships are created (Zhang et al. 2022). State-owned enterprises need to effectively implement CSR as this creates social capital with the government, the main stakeholder and shareholder. In implementing CSR, organisations will assist the government in solving social problems, creating political legitimacy between the government and the organisation because it is the government's duty to solve these social challenges (Ervits 2023). As the government is the main stakeholder and shareholder in SOEs, when they implement CSR, it is interpreted as a tool of state policies that lead to the encouragement of CSR as SOEs are seen as trendsetters for other organisations (Ervits 2023).

Through CSR, an organisation fulfils its ethical responsibility to society, the environment and all stakeholders as the organisation considers the interests of all stakeholders in its operations, goods and services (Sameer 2021; Zhang et al. 2022). Organisations contribute to community development and sustainability through CSR (Ervits 2023; Zhang et al. 2022). When an organisation implements CSR, it improves customer loyalty, brand image and brings a good corporate image for the organisation from the stakeholders. For SOEs, this becomes crucial as the government is the main stakeholder (Córdoba et al. 2014; Zhang et al. 2022). Corporate social responsibility implementation improves the governance structure of SOEs as it protects the interests of various stakeholders by promoting accountability and transparency. An enhanced brand name for SOEs leads to sustainability and competitiveness of the organisation (Zhang et al. 2022).

Zimbabwe Revenue Authority corporate social responsibility

Zimbabwe Revenue Authority derives its mandate from the *Revenue Authority Act* (Chapter 23:11) and other subsidiary legislations such as the *Finance Act*, the *Customs Act* and the *Income Tax Act*. The ZIMRA is managed by the Ministry of Finance, who then appoints a board known as the authority board. Under the board is the CEO who is also known as the Commissioner General (CG), who is appointed by the board in consultation with the Ministry of Finance. The board, in consultation with the CG, also appoints executive management, which includes other commissioners (Zimbabwe Revenue Authority n.d.). The commissioners are also regional managers who manage ZIMRA's different geographic regions.

There is a negative perception about ZIMRA in the minds of some in society, including taxpayers and travellers, thereby affecting its reputation and image negatively. They have generally accepted, conventionally, that ZIMRA, as a tax collector, is there to take people's hard-earned money for no immediate tangible benefit and seize their goods at border posts. This research interrogates ZIMRA's CSR from the perspective of managers.

Corporate social responsibility background in Zimbabwe Revenue Authority

According to ZIMRA's website (Zimbabwe Revenue Authority n.d.), the authority fines officers for indiscipline

behaviour, and out of this, the Chairman's Charity Fund was formed. The authority then decided to use the fund to help the underprivileged, leading to growth and commitment to CSR. To support the fund, the authority now hosts a Charity Ball where they invite different players. The authority now attributes the corporate's success to CSR. From 2013, the authority shifted its focus from donations to supporting sustainable projects such as piggy projects. As the fund continued to grow, ZIMRA transformed into a Charity Trust, which is governed independently and with a Board of Trustees. The authority has thus been involved in many donations including donations to children's and old people's homes, among others since then

In their study on ZIMRA, Obert et al. (2014) concluded that CSR enhances perception and stakeholder perception. Given the importance and complexity relationship of the stakeholders in SOE, it is important to examine how ZIMRA handles their stakeholders when implementing CSR activities. It is therefore important for us to understand how ZIMRA managers understand CSR and how they engage their stakeholders and implement CSR projects, as this has an impact on the perception of the stakeholders. An organisation with managers who understand CSR and how to effectively engage their stakeholders will achieve the desired CSR results.

Conceptual framework

Zimbabwe Revenue Authority's CSR strategy should be informed by stakeholder and legitimacy theories. Stakeholder involvement during CSR implementation will lead to an organisation's reputation and stakeholder perception. The reputation of the organization will act as legitimacy for the business. The conceptual framework is diagrammatically represented in Figure 1.

Research methods and design

The study employed a qualitative and explorative research approach. The approach allowed an opportunity to explore the approach used by ZIMRA in CSR implementation with a view that enabled understanding of the phenomenon rather than looking at the statistical values (Mason 2017). Exploratory research allowed the researcher to gain a better

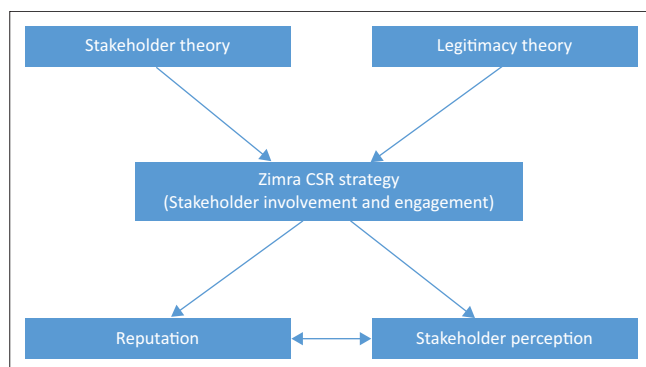


FIGURE 1: Conceptual framework.

understanding of how ZIMRA is implementing its CSR and the reasons why they are implementing it (George 2021).

The ZIMRA is involved in several CSR programmes and activities. These activities include, but are not limited to, donations to children's and elderly homes (www.zimra.co.zw). We conducted in-depth interviews with ZIMRA managers to understand how they are engaging with their stakeholders in CSR implementation. Zimbabwe Revenue Authority divided its management offices into four regions:

- Region 1 – Harare and part of the Mashonaland provinces
- Region 2 – Bulawayo and other Matebeleland regions
- Region 3 – Masvingo and part of the Midlands and Mutare
- Region 4 – Beitbridge

The researcher chose the constructive grounded theory method to guide data collection and analysis (Mills, Bonner & Francis 2006; Mohajan & Mohajan 2022; Strauss & Corbin 1997). The constructive grounded theory method influenced the research in many ways. It allowed the approach of an open mindset to new data. It also allowed the acceptance that all collected data are useful and can be used in the investigation of the problem (Glaser 2007). The sampling of the research was purposive sampling, where respondents were chosen according to availability and the region from which they work. The sampling and analysis were continuously performed until there were no new data coming, that is, data saturation. The data analysis process with ATLAS.ti involved coding that assigns keywords to qualitative data (Strauss & Corbin 1997).

Each ZIMRA region has its own management team, which ultimately reports to the head office in Harare. Managers in different regions make their own decisions in relation to CSR. To ensure the reliability of our findings, the researcher interviewed managers in different regions and head office management who handles CSR. This enabled us to obtain different views from the managers implementing CSR around the country. Interviewing managers in different regions ensured that the whole country was represented in the research. The collected data were triangulated with the data on the website of the authority to ensure trustworthiness.

The managers who participated in the research are as per the Table 1.

The total number of respondents was 26 fairly distributed among the regions where ZIMRA operates. The results can therefore be generalised for the entire authority and other SOEs.

TABLE 1: Respondents.

Region	Identifier	Number of respondents
Head Office	HO P01 to P07	7
Region 1	R1 P01 to P06	6
Region 2	R2 P01 to P04	4
Region 3	R3 P01 to P05	5
Region 4	R4 P01 to P05	4

Before the interviews, participants were guaranteed anonymity and told that identifying information would be removed from the study; generic descriptors, such as a manager in region 1, are used for specific quotations in this article. After receiving permission from each participant, the interviews were audio recorded and ranged from 35 to 54 min in length. Because managers in different regions make their own decisions on CSR, it was important for the researcher to understand how these decisions are made in different regions.

To allow for a more detailed analysis of the data, the researcher personally transcribed the recordings for careful thematic analysis. The interviews were individually transcribed and coded before being triangulated. Thematic analysis involves reading and analysing the data in order to understand the transcriptions and come up with similarities, which are then grouped together to form groups (Braun & Clarke 2012; Tuckett 2005) of the transcriptions and comparing each one with the others while looking for similarities, which are grouped together by category. Data theming allowed the researcher to group the data into meaningful themes.

Ethical considerations

Ethical clearance to conduct this study was obtained from the University of the Witwatersrand Human Research Ethics Committee (Non-Medical) (No. H23/03/19).

Results and discussion

The purpose of this research was to understand ZIMRA's CSR strategy. Zimbabwe Revenue Authority managers were interviewed to understand how they are implementing CSR activities. The interview questions were divided into two sections aimed at answering the following: How do ZIMRA managers understand the CSR concept? Does ZIMRA have a strategy for involving their stakeholders in CSR? Two main themes emerged from the collected data: community investment and stakeholder relations.

Community investment

The respondents were asked various questions about their understanding of CSR. Different definitions and understandings of CSR were given. 'CSR is when business or companies plow back into the community part of their profits as a way of supporting the community to meet some of their daily life requirements, ...'. 'CSR is a management concept whereby organisations operate ethically while at the same time ensuring environmental and social concerns are considered', 'Ploughing back into the community'. Respondents showed that their understanding of CSR is mainly based on giving back to the community. Understanding CSR is determined by the organisation's structure as well as how it responds to the outside world and determines how CSR is implemented (Wood 2010). The responses given may mean that the organisation views the concept of CSR not only as a business achieving its intended purpose but also as taking care of the social needs of the society.

The ZIMRA, although guided by the *Revenue Authority Act* and other subsidiary legislation, relies on citizens' compliance with taxation issues. Therefore, it is important to have a good brand name, as it will enhance compliance among citizens. Some of the responses given by the respondents show that the authority highly regards the perception of the communities. Responses include:

'CSR in ZIMRA was birthed as a way of changing the perception of the public toward it as an organization which wants to just take in the form of taxes, without reciprocating in terms of giving to the public.' (R01 from HO)

R01 from R1 'To support vulnerable members of the community to advance their personal and community development', 'As part of the community, it assists in creating a good corporate image', 'Strengthen legitimacy and reputation' and R02 from R3 'Build corporate value'. The responses show that the respondents' understanding is that CSR is mainly done to give back to the community and to create a good corporate image. These two main reasons were given by the respondents though in different dimensions.

Yu and Hu (2014) tested the effects of CSR on corporate image and concluded that various dimensions of CSR, including community responsibility, help enhance the corporate image of SOEs in China. In engaging in CSR, SOEs enhance their customer loyalty, which is even more important for ZIMRA, which relies on loyalty.

Respondents showed a strong alignment between authority and community relations or public image. The respondents were asked if the organisation is benefitting from CSR. Various responses were given, including R02 from R2 'ZIMRA in the eyes of the public is seen as a caring and responsible corporate citizen, which influences some taxpayers to pay taxes due', R02 from HO ... 'ZIMRA has a human face after all and hence it is critical for the Authority to show that it cares in its dealings'. All the responses showed that managers believe that CSR will improve the corporate image and that this public image is important for the organisation.

The responses given showed that indeed ZIMRA managers do understand the CSR concept, although presented in different views. The responses given on these questions also point towards the legitimacy theory where organisations are involved in CSR to gain legitimacy. Corporate social responsibility activities impact stakeholder attitudes towards the organisation and lead to greater legitimacy. There is also a positive link between CSR and perception of trust, which has a direct influence on reputation and stakeholder loyalty (Hong & Rim 2010).

Stakeholder relations

Overwhelmingly, participants felt that stakeholder relations are important in CSR activities. State-owned enterprise has many stakeholders, and it is important to have a stakeholder CSR strategy in such an organisation. To better understand how the managers involve their stakeholders, participants were asked various questions. Various responses were given by the respondents, and many responses were based on the

community needs and the funding available. According to one of the respondents, the decisions on what to fund are done by the trust: R01 from HO 'the Charity Trust Management Committee is the one which decides on the CSR activities to implement'. Other respondents indicated that they only consider the needs of the community in which they operate. The responses provided indicate that although the respondents understand the importance of stakeholders, their decisions are not mainly based on the stakeholder views but rather the funding of those projects. This brings about an important issue of funding CSR by SOEs.

Our respondents also indicated that they sometimes approach institutions that take care of the vulnerable groups of the communities, as echoed by one respondent: 'sometimes we approach old people or orphan homes and ask them to submit their needs and then we decide on which one to donate toward'. On further probing how these needs are considered, the responses show that the decisions will mainly be based on the budget's availability.

The literature shows that SOEs can consider various funding models for their CSR strategy. These can include integrating their CSR with financial objectives, including CSR in their budgets, and asking for allocation of a specific budget from the government (Kholis et al. 2021; OECD 2020). Where a CSR strategy is not adequately funded, this may raise issues where instead of considering the expectations of the stakeholders, an organisation may end up focusing their strategy on the available funding, as is happening with ZIMRA.

The majority of respondents (73%) indicated that employees are the most important stakeholders as they are the ones who mostly fund CSR activities. Corporate social responsibility activities are mainly funded through fines that staff members pay for unaccepted behaviours and voluntary donations. This is augmented by other fundraising activities such as charity balls, golf days and raffles. Fundraising activities are done at the head office level and are mainly aimed at collecting from other corporate companies. Although the respondents indicated that the most important stakeholders are the employees, they indicated that they do not consider their employees when deciding the CSR activities to implement. Therefore, there is an imbalance in the assignment of importance to stakeholders. The employees are important regarding funding but on decision-making on how they funds should be used they are not considered.

Failure to balance or understand stakeholders' importance in CSR results in negative results in SOEs. One of the challenges is poor stakeholder relationships. Stakeholders who perceive that they are not being valued will not support the CSR strategy, and this may result in the strategy's ineffectiveness. In the case of ZIMRA employees, a negative perception by the employees may affect how they contribute to the finances of the CSR strategy (Pfajfar et al. 2022). Employees are the face of an organisation and they are considered as primary stakeholders. When they have a negative perception of the organisation, it is bound to spread to other stakeholders (Taghian, D'Souza &

Polonsky 2015). The responses given indicate that the authority's CSR decisions are mainly influenced by the board and financed by the employees through donations and fines for indiscipline behaviour. However, the fines are completely voluntary as an employee may choose not to contribute even when the indiscipline has required him to pay the fine.

The other challenge is ineffective CSR projects and/or activities. When CSR activities are implemented based on the budget only without proper stakeholder mapping, the projects may fail to address the social issues of the economy and therefore end up being ineffective (Macassa et al. 2021). Respondents indicated that they implement projects based on their budget. Even in cases where they approach institutions to ask about their project preferences, they will still do it according to the budget availability.

The responses are in agreement with the literature that SOEs have not really considered their stakeholders' importance (Bao & Long 2021). The literature clearly shows the importance of stakeholders in CSR implementation (Calabrese & Lancioni 2008), just as our respondents indicated that employees, customers, government and community are the most important stakeholders. Although the respondents indicated that they value their stakeholder relations, their responses to further probing questions did not indicate the value they attach to their stakeholders. In their decisions on the projects to be funded, they do not consider the important stakeholders who contribute to a positive image of the organisation. The stakeholder approach states that it is important for an organisation to include stakeholders' views and values in CSR decisions (Pedersen & Sudzina 2012), which the company is not doing.

As much as SOEs are an important and unique sector, there is also an important part of SOEs in the monopoly state within which ZIMRA falls. This type of organisation is the only player in the field and therefore does not have competition in providing goods and services (Wang 2021). Zimbabwe Revenue Authority seems to be complacent in CSR implementation as they do not have any competition, as is the case in many monopolised organisations (Wirba 2023; World Bank Group 2023).

Recommendations

There is a need for training SOE managers to understand stakeholder mapping. As alluded to earlier, stakeholders in SOEs are more important than those in other sectors. Stakeholder mapping will enable the organisation to understand the importance of all their stakeholders. When stakeholder mapping is performed correctly, the beneficiaries of the CSR activities will be involved in the decision-making process, leading to the sustainability of the projects.

There is a need to relook at the funding of the CSR strategy. Corporate social responsibility strategies that depend on donations are difficult to manage, especially if the donations are based on small amounts coming from many people. Currently, SOEs are some of the organisations that are

thriving in Zimbabwe. Therefore, they should contribute to the socioeconomic factors of the country, and this can be achieved through a CSR strategy with an impact investing view. It is important to have sustainable funding systems so that the activities being funded may also be sustainable. The current system does not support this, as decisions are only made based on what would have been collected. The activities funded are short-term and unsustainable. Having a budget line for CSR will help SOEs in funding sustainable projects.

Limitations

Management of SOEs largely depends on the state's policy implementation and may not be the same between different states. However, the researcher triangulated the primary data with secondary data in order to cover for this limitation.

Conclusion

In agreement with other scholars (Bao & Long 2021), SOEs, especially those in the monopoly market, do not seem to prioritise stakeholder engagement. Although they understand and have a CSR strategy, the implementation may not be effective as they do not effectively involve stakeholders. Even though ZIMRA does have a CSR strategy, their strategy seems not to recognise the importance of different stakeholders in CSR decisions. Managers are aware of what CSR is and how it benefits the organisation. Corporate social responsibility decisions are made by the management team and do not include the employees and clients who are the most important stakeholders in SOEs (Córdoba-Pachón et al. 2014). Stakeholders who perceive that they are not being prioritised may undermine CSR activities. In SOEs like ZIMRA, stakeholder involvement and engagement lead to a positive reputation, which impacts stakeholder loyalty. For ZIMRA, loyalty leads to the payment of taxes, which is the mandate of the authority.

Even if the organisation has a clear CSR strategy but without sustainable funding for the strategy, the CSR effectiveness can be limited. It is therefore important for SOEs in monopolies to have a clear funding plan for their CSR strategy. When SOEs rely on few lines of funding, it may result in limited CSR implementation.

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Data availability

The author confirms that the data supporting the findings of this study are available within the article and/or its supplementary materials.

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